

Board of Directors	<p>Mr. P. Obul Reddy Chairman</p> <p>Mr. Hidenori Aso Managing Director</p> <p>Mr. Justice S. Natarajan</p> <p>Mr. A. Ragavendra Rao</p> <p>Mr. K. Subramanian</p> <p>Ms. Machiko Miyai</p>
Company Secretary	Mr. Tom Antony
Auditors	M/s Brahmayya & Co., Chartered Accountants No. 48, Masilamani Road, Balaji Nagar, Royapettah Chennai - 600 014.
Registered Office and Factory	N.H. No.5, Sholavaram Village, Ponneri Taluk, Chennai - 600 067. Tamilnadu. Tel : +91 44 2633 0133 Fax : +91 44 2633 0132
Corporate Office	“SPIC HOUSE” Annexe 6th Floor, 88, Mount Road, Guindy, Chennai - 600 032. Tel : +91 44 2230 4201 Fax : +91 44 2230 4200
Bankers	The Bank of Tokyo Mitsubishi UFJ Ltd., HDFC Bank Ltd.

TWENTY FIRST ANNUAL REPORT	
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Twenty First Annual General Meeting

Venue	: Sri P. Obul Reddy Hall, Vani Mahal, No. 103, G.N. Chetty Road, T. Nagar, Chennai – 600 017.
Date	: September 25, 2009
Time	: 10.15 a.m.

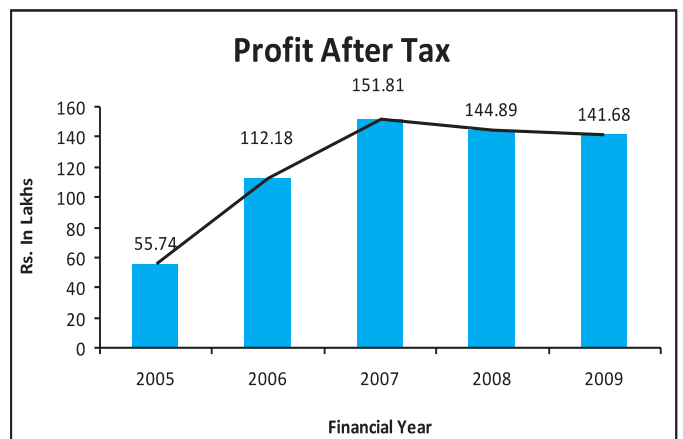
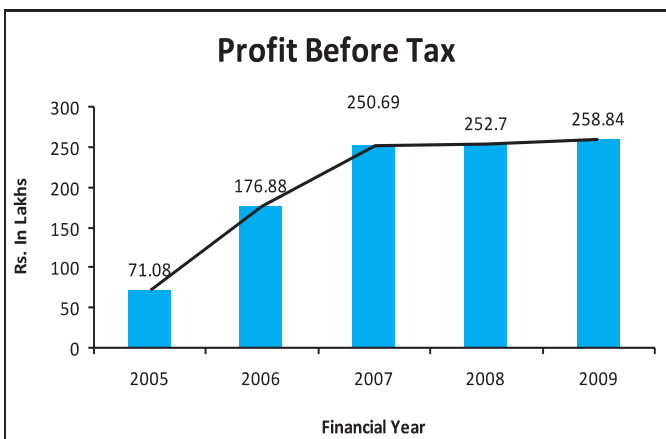
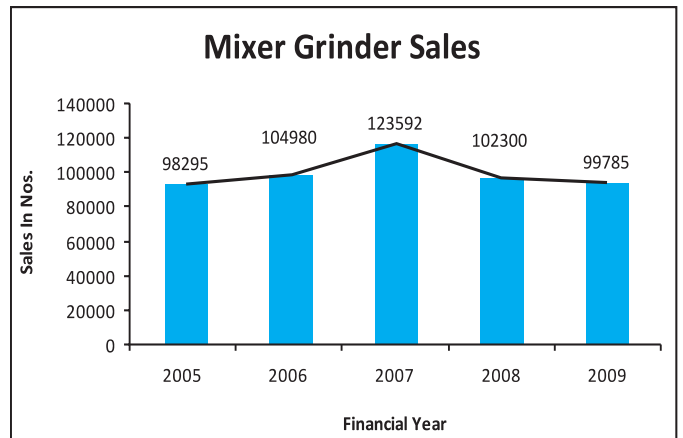
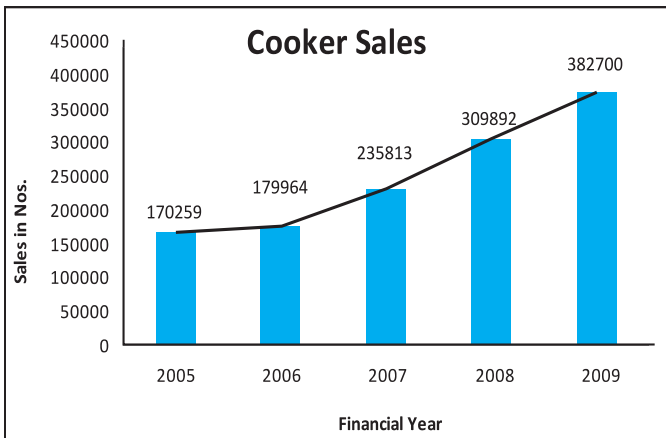
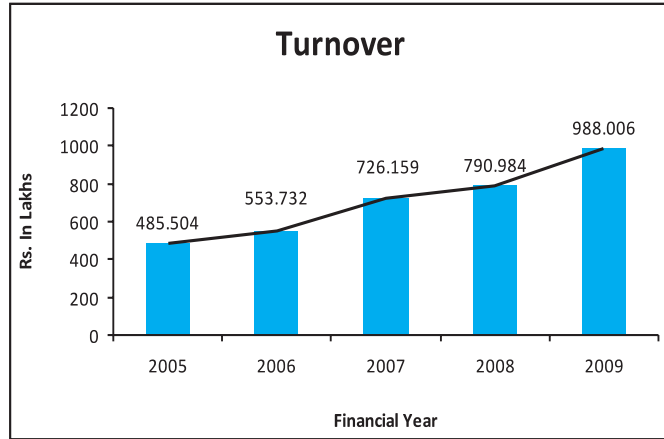
Registrar & Share Transfer Agents

M/s. Integrated Enterprises (India) Limited
“Kences Towers”, 2nd Floor,
#1, Ramakrishna Street, North Usman Road, T.Nagar,
Chennai - 600 017 Email : corp-serv@iepindia.com
Tel : +91 44 2814 0801
Fax : +91 44 2814 2479

Note :

1. Kindly bring your copy of Annual report along with you for the Annual General Meeting.
2. Only Members and, in their absence, duly appointed proxies will be allowed for the Meeting. Please avoid bringing non-members and/or children for the Meeting.
3. Members are requested to fill in the respective columns provided in the Attendance Slip/Proxy Form fully and legibly so as to facilitate smooth entry into the Meeting Hall.
4. Company is not arranging any compliments for distribution in the Meeting.
5. Shareholder's Privilege Discount Coupon is enclosed along with this Annual Report.

FINANCIAL HIGHLIGHTS 2005-2009



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Notice of Twenty First Annual General Meeting

Notice is hereby given that the Twenty First Annual General Meeting of the Members of Panasonic Home Appliances India Co. Ltd will be held on Friday, the 25th day of September 2009 at 10.15 a.m at Sri.P.Obul Reddy Hall, Vani Mahal, No.103, G.N.Chetty Road, T.Nagar, Chennai – 600 017 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2009, the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on equity shares for the financial year ended 31st March 2009.
3. To appoint a Director in place of Mr.P.Obul Reddy who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Justice S Natarajan who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Statutory Auditors of the Company and to fix their remuneration. The retiring Auditors M/s.Brahmayya & Co., Chartered Accountants, Chennai are eligible for re-appointment and have confirmed their willingness to accept the office, if re-appointed.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT M/s.Brahmayya & Co., Chartered Accountants, Chennai be and is hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309,310,316, and other applicable provisions if any, of the Companies Act, 1956 read with Schedule XIII to the Act, as amended, the approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr.Hidenori Aso as Managing Director of the Company for a period of ‘Three’ years with effect from 01st August 2009 as per the following terms and conditions:

- I. **Salary:** In the range of Rs.70,000 to Rs.1, 30,000/- per month.
- II. **Perquisites:**
 - a. Rent-free furnished residential accommodation together with Geysers, Refrigerators, Air-conditioners, Gas and Electricity, Fuel and Water, Servants, Furnishings etc., monetary value of which may be evaluated as per Income Tax Rules, 1962.
 - b. Leave Passage Benefits: Passage to Japan and back once a year or once a year to any place in India including to and fro air fare.
 - c. Personal Accident Insurance: An annual premium not exceeding Rs.2,000/-.
 - d. Club fees: Fees of clubs subject to a maximum of two clubs.
 - e. Freight on his excess unaccompanied baggage.
 - f. Car : Free use of car with driver.
 - g. Telephone : Free telephone facility at residence.
 - h. Medical benefits for self and family: Reimbursement of expenses actually incurred including surgical and hospitalization expenses.

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- i. Holiday passage for children studying abroad: To and fro holiday passage once in a year to children from place of study abroad to India and to the members of the family from the place of their stay abroad to India if they are not residing with the Managing Director.
- j. Such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. Hidenori Aso.

RESOLVED FURTHER THAT the Board or any Committee thereof, be and is hereby authorized to decide the salary payable to Mr.Hidenori Aso during his tenure as Managing Director of the Company, within the range mentioned above.

RESOLVED FURTHER THAT pursuant to the provisions of Section 198, 309 and other applicable provisions if any, of the Companies Act, 1956 read with Para 1 of section II of Part II of Schedule XIII to the Act, the above remuneration be paid as minimum remuneration to Mr.Hidenori Aso as Managing Director in the event of absence or inadequacy of profits in any financial year during the term of his office.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to revise the remuneration and benefits of Mr.Hidenori Aso from time to time within the ceiling prescribed under Schedule XIII to the Companies Act, 1956, as may be in force from time to time.”

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** the proposal to combine the sales and marketing of the products of the Company with that of Panasonic India Private Limited, on the terms and conditions approved by Central Government under section 297 of the Companies Act 1956 be and is hereby noted, ratified and approved.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things including execution of any agreements as it may deem necessary and incidental to give effect to this resolution.”

(By Order of the Board)
For Panasonic Home Appliances India Co. Ltd

Place : Chennai
Date : July 21, 2009

P.OBUL REDDY
CHAIRMAN

NOTES

1. **EVERY MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The instrument appointing a proxy should be lodged with the Company at its Corporate Office at least 48 hours before the time fixed for the commencement of the Meeting.
3. Explanatory Statement as per Section 173 (2) of the Companies Act, 1956, in respect of the items of Special Business as set out above, is annexed.
4. All documents relevant to the business to be transacted at this meeting will be available for inspection at the registered Office of the Company on all working days during business hours.
5. The Register of Members and Share Transfer Books will remain closed from September 19, 2009 to September 25, 2009 (both days inclusive).
6. Shareholders seeking any information, with regard to accounts are requested to write to the Company at an early date so as to enable the Company to keep the information ready.
7. Members / Proxies should bring the Attendance Slip duly filled in for attending the Meeting.
8. Corporate shareholders/ Trusts/ Societies are requested to send a duly certified copy of the Board/ Managing Committee Resolution authorizing their representative to attend and vote at the Meeting.
9. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

Panasonic

10. The Dividend as recommended by the Board of Directors, if declared at the Meeting will be paid on or before October 5, 2009 to those shareholders/members whose names appear on the Register of Members as on September 25, 2009. In respect of shares held in Electronic Form, the dividend will be payable on the basis of beneficial ownership as per the details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.
11. Company provides Electronic Clearing System (ECS) facility for payment of dividend, which can be availed by the shareholders who reside at the locations where ECS facility is made available by Reserve Bank of India (RBI). Availing ECS facility will help the shareholder to avoid loss of dividend warrant in transit and facilitate direct credit of the dividend amount to his bank account instantly. **Since correct and up-to-date bank account details of the shareholder is a pre-requisite for successful ECS transfer, all the shareholders are advised to verify and update their bank account details with the Depository or Registrar & Share Transfer Agent as the case may be.** Shareholders holding shares in physical form and desirous of availing ECS facility are requested to contact M/s.Integrated Enterprises (India) Ltd, Company's Registrar & Share Transfer Agent.
12. Those members who have so far not encashed their Dividend Warrants for the below mentioned financial years, may claim or approach the Company's Share Transfer Agents for the payment thereof as the same will be transferred to the **Investor Education and Protection Fund** of the Central Government, pursuant to Section 205C of the Companies Act, 1956 on the respective due dates mentioned there against. **Kindly note that after such date, the members will not be entitled to claim such dividend.**

Financial Year	Rate of Dividend	Date of Declaration	Due date for Transferring to IEPF
2004 - 2005	10%	02.09.2004	02.10.2011
2005 - 2006	10%	31.08.2005	30.09.2012
2006 - 2007	10%	31.08.2007	30.09.2014
2007 - 2008	10%	24.09.2008	23.10.2015

13. As per the provisions of Section 109(A) of the Companies Act, 1956 member(s) who are holding Equity Shares in the Company may nominate in the prescribed manner, a person on whom the shares will vest in the event of death of the holder(s). Member(s) desiring to make such a nomination are requested to send the prescribed Form-2B to the Registrar and Share Transfer Agent of the Company. SEBI has made it mandatory for the transferee(s) to furnish copy of their PAN Card to the Company / RTA for registration of transfer of shares in physical form.
14. Members holding shares in physical form are requested to notify / send the following information by quoting their Folio Number to the Registrar and Share Transfer Agent of the Company to facilitate better servicing: -
- Any change in their address / mandate / bank details;
 - Particulars of the bank account, in case the same have not been furnished earlier;
 - Share Certificate(s) held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholdings into one account.
 - Phone No., Fax No., and Email ID for speedy disposal of complaints/requests on various issues.

Explanatory Statement as per Section 173 (2) of the Companies Act, 1956

Item No.6

In terms of the approval accorded by the Shareholders in the 18th Annual General Meeting of the Company held on 30th August 2006, the tenure of Mr.Hidenori Aso, as Managing Director of the Company ends on 31st July 2009. Panasonic Corporation, collaborator of the Company has recommended further extension of his tenure so that the Company could continue to derive benefit out of his expertise and make further progress.

The Remuneration Committee and the Board of Directors of the Company approved his re-appointment subject to the approval of the members as the Managing Director of the Company for a further period of Three Years with effect from 01st August 2009 on the terms and conditions as detailed in the resolution. Hence the matter is placed before the Members for their approval at this Annual General Meeting.

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As required under the provisions of Sec.316 of the Companies Act, 1956 the Board of Directors present at the Meeting have unanimously approved his appointment as Managing Director of the Company.

The abstract of the terms and conditions of the appointment and remuneration of Mr. Hidenori Aso pursuant to Section 302 of the Companies Act, 1956 has been sent to all the shareholders vide circular dated August 5, 2009.

Memorandum of Interest

Except Mr.Hidenori Aso, Managing Director, to the extent of Remuneration receivable by him, no other Director of the company is interested in this resolution.

The Board recommends this resolution for approval of Members.

The additional information as required by Schedule XIII to the Companies Act, 1956 is given below:

Statement pursuant to sub-clause (iv) of Clause (1B) of Section II of Part II of Schedule XIII of the Companies Act, 1956 for payment of remuneration to Mr.Hidenori Aso, Managing Director

I. GENERAL INFORMATION			
1.	Nature of Industry	Consumer Durables	
2.	Date of Commencement of Commercial Production	01 st October 1990	
3.	In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in prospectus	Existing Company	
4.	Financial Performance	As on 31st March 2009	
		(Rs. In lakhs)	
		Sales	10986.28
		Profit Before Tax	258.84
		Profit after Tax	141.68
		Paid-up Share Capital	857.00
		Reserves & Surplus	926.82
		Total	1783.82
		Less: Investments	Nil
	Preliminary Expenses (to the extent not written off)	Nil	
	Effective Capital as on 31st March 2009	1783.82	
5	Export performance and net Foreign Exchange Collaborations.	Earnings in Foreign Exchange on account of Exports Sales and reimbursement of advertisement and sales promotion expenses received from the Collaborator/Associate Companies was Rs.152.88 lakhs for the year ended 31 st March 2009.	
6.	Foreign investments or Collaborations, if any	The Company has Technical Assistance Agreement and Trademark License Agreement with Panasonic Corporation, Japan (formerly Matsushita Electric Industrial Co. Ltd), its collaborator. At present foreign investment in the paid-up share capital of the Company is 51% at Rs.4.37 Crores (excluding Share premium of Rs.6.18 Crores) made by Company's collaborator cum promoter viz., Panasonic Corporation.	

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II. INFORMATION ABOUT APPOINTEE	
1. Background details	Mr.Hidenori Aso joined Matsushita Electric Industrial Co. Ltd, Japan in April 1983. He is a Graduate from Tokyo University of Foreign Studies, Japan. He has wide experience of more than 26 years mainly in the area of Marketing and Exports.
2. Past Remuneration	Rs.11,37,048/- for the year ended March 31, 2009 (inclusive of perquisites)
3. Recognition or awards	Not Applicable
4. Job Profile and his suitability	Mr. Hidenori Aso is entrusted with substantial powers of management and is responsible for the general conduct and management of the business and affairs of the Company subject to the superintendence, control and supervision of the Board of Directors of the Company. He has wide experience in Marketing, Exports, Strategic Planning and Organisation building.
5. Remuneration proposed	In the range of Rs.70,000 to Rs.1, 30,000/- per month plus perquisites as per the details given in the proposed resolution.
6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	Mr.Hidenori Aso, had he continued his service with Company's collaborator would have been drawing significantly more salary than the proposed remuneration to him from the company.
7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial person, if any	NIL, except to the extent of remuneration proposed to be paid.
III. OTHER INFORMATION	
1. Reasons for loss or inadequate profits	As on 31 st March, 2009 the Company posted a profit before tax of Rs.258.84 lakhs and profit after tax of Rs.141.68 lakhs. As per the applicable provisions of Schedule XIII, this profit would be inadequate for payment of remuneration proposed.
2. Steps taken for improvement	Company is taking steps to increase sales, reduce costs and to increase productivity so as to increase the profits. Besides enhancement of production capacity of cooker to 1 million Nos, the project for manufacturing Jar Type Cooker is also nearing completion. By this Company will be able to meet the increased demand for its products.
3. Expected increase in productivity and profits in measurable terms	The Company expects that improvement in business environment and several steps being taken as above will enhance revenue and reduce costs which is expected to yield a growth of 15% in terms of Profit before tax barring unforeseen circumstances.

Item No.7.

Presently your Company is engaged in the business of manufacture and marketing of Electric Cooker and Mixer Grinder besides import, marketing and sales of kitchen appliances, small domestic appliances, beauty care, personal care and health care items.

Your Company is planning to combine its sales and marketing activities with that of Panasonic India Private Limited (PI) to concentrate more on manufacturing activities. PI being a sales company is able to get sales and marketing support from Panasonic Corporation to promote sale of Panasonic products in India. If the proposal is given effect, your Company's products also could benefit from the sales and marketing support received by PI from Panasonic Corporation besides saving in sales promotion expenses.

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The proposal does not require any specific approval under any sections of the Companies Act, 1956. The proposal is placed before the shareholders for approval in terms of the Memorandum of Understanding (MOU) between the Company and PI. The above arrangement has been approved by Central Government under section 297 of the Companies Act, 1956 for the financial year 2009-2010 and 2010-2011 vide its letter no. 2/MI0529/09 dated 12-06-2009.

Memorandum of Interest

Except Mr. Hidenori Aso as Managing Director of Panasonic India Pvt. Limited, none of the other Directors are interested in this resolution.

AS REQUIRED UNDER THE LISTING AGREEMENT, THE PARTICULARS OF DIRECTORS WHO ARE PROPOSED TO BE RE-APPOINTED ARE GIVEN BELOW.

Mr.P.Obul Reddy

Mr. P. Obul Reddy is the Indian Promoter of the Company and has been serving as a Director and Chairman of the Board of the Company since 1979. Mr. P. Obul Reddy received his Bachelor's degree in Commerce from Madras University. He was the President of Hindustan Chamber of Commerce and the Cosmopolitan Club, the Honorary Chairman of the Madras Telugu Academy and also a trustee of the Music Academy and Life Trustee of Andhra Mahila Sabha.

Mr.P.Obul Reddy is the Managing Director of Nippo Batteries Co. Ltd, and Non-executive Chairman of Panasonic Carbon India Co. Ltd. He is a Director on the Board of Apollo Hospital Enterprise Ltd. He is a Member of Audit Committee and Remuneration Committee of Apollo Hospitals Enterprise Ltd., and a Member of Shareholders/Investors Grievances Committee of Nippo Batteries Co. Ltd.,

Mr.P.Obul Reddy holds 2,71,910 equity shares in the Company

Mr.Justice S Natarajan

Mr.Justice S. Natarajan is a retired Supreme Court Judge. He held several prestigious positions viz. President of Cosmopolitan Club, Indian Society of Criminology, Madras Race Club, etc. He was a Chairman of the Expert Committee for the formation of the East Coast Road, constituted by the Govt. of India. He travelled extensively and visited several countries viz. US, UK, Canada and several countries in Europe.

Mr.Justice S. Natarajan is the Non-executive Chairman of Nippo Batteries Co. Ltd and a Director on the Board of Lakshmi Machine Works Ltd. He is the Chairman of Share Transfer & Investors Grievance Committee of Lakshmi Machine Works Ltd and a Member of Audit Committee of Nippo Batteries Co. Ltd.

Mr.Justice S.Natarajan holds 500 equity shares in the Company.

(By Order of the Board)
For Panasonic Home Appliances India Co. Ltd

Place : Chennai
Date : July 21, 2009

P.OBUL REDDY
CHAIRMAN

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DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Twenty First Annual Report together with the Audited Accounts of your Company for the financial year ended 31st March 2009.

FINANCIAL RESULTS

The financial performance of your Company for the financial year ended 31st March 2009 is summarized below:

Particulars	(Rs. in Lakhs)	
	2008-09	2007-08
Gross Sales	10986.28	8950.26
Profit before depreciation and interest	492.06	447.00
Less: Interest	48.44	43.88
Depreciation	184.78	150.41
Profit before Tax	258.84	252.70
Less: Provision for taxation and FBT	117.16	107.81
Profit after Tax	141.68	144.89
Add: Profit brought forward from previous year	261.06	216.43
Balance available for Appropriation	402.74	361.32
Less: Dividend proposed	102.84	85.70
Tax on dividend	17.48	14.56
Transfer to General Reserve	3.54	–
Balance of Profit & Loss carried to Balance Sheet	278.88	261.06

PERFORMANCE

During the year under review your Company has surpassed the Rs.100 Crore mark in sales, the aggregate turnover amounts to Rs.109.86 Crores as against Rs.89.50 Crores in the previous year, registering a growth rate of 22.75 %. Company expects substantial increase in its export sales during the coming years as it is in the final stage of upgrading its manufacturing facilities to manufacture Electric Cooker and Mixer Grinder meeting the IEC standard, the international standard required for exporting to many countries.

Your Company has registered a profit before tax of Rs.258.84 Lakhs as against Rs. 252.70 Lakhs, in the previous year. The profit after tax of your Company stood at Rs.141.68 Lakhs as against Rs. 144.89 in the previous year.

DIVIDEND

The Board of Directors recommended a final dividend of Rs.1/- per share (10% on an equity share of par value Rs.10/-) and a special dividend of Rs. 0.20/- per share (2% on an equity share of par value Rs.10/-) commemorating the 20th Anniversary Year of the Company. The total dividend recommended by the Board for the financial year 2008-2009 is 12% (Rs.1.20 per equity share). The dividend, together with dividend distribution tax of Rs.17.48 lakhs absorbs a sum of Rs. 120.32 lakhs.

FUTURE PROSPECTS

Company expects considerable increase in the demand for its products. The new model of its Super Mixer Grinder which has a unique interlocking safety system to prevent accidental switching on to ensure complete safety meets international standards. This would help the Company to export its Mixer Grinders to the countries having stringent safety standards. The Company proposes to increase the manufacturing capacity of Electric Cooker from the present 3 lakhs to 10 lakhs

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during financial year 2010-2011 and the capacity expansion programme is progressing as scheduled. The project for manufacturing jar type cooker is under progress and the commercial production is expected to commence during the current year itself. Service networks are further fine tuned to meet the customer expectations. In order to contain the increase in raw material cost, various cost reductions measures envisaged are under implementation.

DIRECTORS

During the year Mr.Vijayakumar Reddy, Mr.Yuji Majima and Mr.Haruhiko Ogami, representatives of the promoters of the Company were resigned from the Directorship of the Company to enable the Company to meet the prescribed composition of Board of Directors under Clause 49 of the Stock Exchange listing agreement. The Board places on record their appreciation for the guidance and valuable contribution made by Mr.Vijayakumar Reddy, Mr.Yuji Majima and Mr.Haruhiko Ogami during their tenure as Directors on the Board of the Company.

In accordance with the Articles of Association Mr.P.Obul Reddy and Mr. Justice S Natarajan retires by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

AUDITORS

M/s.Brahmayya & Co., Chartered Accountants, Chennai, Statutory Auditors of the Company retires at the ensuing Annual General Meeting and has given their consent for reappointment. The Company has also received a confirmation from them that their appointment would be within the limits prescribed under proviso of Section 224(1B) of the Companies Act, 1956.

PERSONNEL

There were no employees drawing a salary of Rs.2,00,000/- per month or Rs.24,00,000/- per annum during the year which require disclosure under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975 as amended.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE AND OUTGO

Information relating to energy conservation, foreign exchange earned and spent and research and development activities undertaken by the Company in accordance with the provisions of Section 217 (1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 are given in Annexure "A" to the Directors' Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm that they had:

- i. Followed in the preparation of Annual Accounts, the applicable Accounting Standards and given proper explanations relating to material departures, if any;
- ii. Selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- iii. Taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities; and
- iv. Prepared the Annual Accounts on a going concern basis.

AWARDS & RECOGNITION

Your Company has been ranked No.2 by Panasonic Corporation based on various performance parameters among its 240 manufacturing companies spread across the world.

CORPORATE SOCIAL RESPONSIBILITY

The manufacturing process and plants of your Company adhere with the standards laid down by various regulatory authorities for the protection of environment and safety of workers engaged in the manufacturing process. Your Company has obtained certification under ISO 14001 Environment Management System Standards from TUV India Private Limited.

CORPORATE GOVERNANCE

Your Company recognizes the importance and need of good Corporate Governance as an important step in creating stakeholders confidence and for a healthy and stable Capital Market thereby enhancing the long term enterprise value.

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Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion and Analysis Report (Annexure 'B') and Corporate Governance Report (Annexure 'C') along with Auditors' Certificate regarding Compliance of the Conditions of Corporate Governance are given as part of this Annual Report.

DEPOSITS

Your Company has not accepted/ invited any Deposits within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under.

ACKNOWLEDGEMENTS

Your Directors wish to express their deep sense of appreciation for the committed services of all the employees of the Company. The Board place on record their appreciation for the support and co-operation your Company has been receiving from its Bankers, Customers, Distributors, Dealers, suppliers and other business partners and also the valuable assistance received from the collaborator Panasonic Corporation, Japan.

Directors also take this opportunity to thank all stakeholders, banks, regulatory and government authorities for their continued support.

(By Order of the Board)
For Panasonic Home Appliances India Co. Ltd

Place : Chennai
Date : July 21, 2009

P.OBUL REDDY
CHAIRMAN

ANNEXURE 'A' to DIRECTORS' REPORT

Information as required under Section 217(e) of the Companies Act, 1956

Conservation of Energy

a) Energy Conservation measures taken	- Replacement of motorized conveyor in the Mixie sub assembly with table type assembly system. - Energy efficient lighting introduced in all production shops.
b) Additional investments and proposals, if any, being implemented for reduction of Consumption of energy.	A study has been carried out for introduction of new lighting system with low energy consumption in factory surroundings and common areas for implementation during the financial year 2009 – 2010.
c) Impact of the measures of (a) and (b) for reduction of energy consumption and consequent impact on the cost of production of goods.	Above measures coupled with effective utilization of men and machine helped in reduction in energy consumption and consequent saving in cost of production.

FORM B (See Rule 2)

Form for Disclosure of Particulars with respect to Technology Absorption, Research and Development (R&D)

1. Specific areas in which R&D carried out	Development of Jar Type Cooker. In-house development and production of Mixie Main Switch.
2. Benefits derived as a result of the above R&D	In House Manufacturing of Mixie Main Switch started which resulted in reduction of Parts Cost, Transportation Cost and Lead time.
3. Future plan of action	New Model Mixie AC400 with Juice Extractor and IEC Base Standard Rice Cooker and Mixer Grinder for Export Market is planned during the financial year 2009 – 2010.
4. Expenditure on R&D	Development Expenses for Jar Cooker during the year 2008 – 09 was Rs.212.03 Lakhs.

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Technology Absorption, Adaptation & Innovation

1. Efforts, in brief made towards absorption, adaptation and innovation	Company obtained the technical knowhow from Panasonic Corporation Japan & Panasonic Manufacturing Malaysia Berhad, Malaysia for the Development of Jar type Rice Cooker and Mixie Main Switch Assembly.
2. Benefits derived as a result of the above efforts, example product improvement, cost reduction, product development, import substitution etc.	Company will be able to manufacture Jar Type Cooker as well as Mixie Main Switch in its factory during the financial year 2009 – 10. Value Engineering & Specification study for parts, Better price negotiation, change in suppliers and other cost reduction measures resulted in savings of Rs 121.59 lacs during the year.

Foreign Exchange Earnings and Outgo

a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products.	The Company has exported 13,043 Nos. of Electric Rice Cookers during the financial year 2008-2009
b) Total foreign exchange used and earned	Foreign Exchange earned during the financial year 2008-2009 was Rs.2.70 Crores and the outgo was Rs.25.04 Crores.

(By Order of the Board)
For Panasonic Home Appliances India Co. Ltd

P.OBUL REDDY
CHAIRMAN

Place : Chennai
Date : July 21, 2009

ANNEXURE 'B' to DIRECTORS' REPORT MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRIAL REVIEW

During the year 2008 – 09 witnessed the deepest and most widespread financial and economic crisis of the last 60 years. Like all emerging economies, India too has been impacted by the crisis but at a lesser degree compared to the developed countries because our financial sector remains healthy as it had no direct exposure to tainted assets and its off-balance sheet activities have been limited. Secondly, because India's merchandise exports, at less than 15 per cent of GDP, are relatively modest. Notwithstanding the contraction of global demand, growth prospects in India continue to remain favourable compared to most other countries. Despite the global slowdown, the Indian economy is estimated to have grown at close to 6.7 per cent in 2008-09.

India is fast emerging as a global manufacturing hub. India has all the requisite skills in product, process and capital engineering, owing to its long manufacturing history and higher education system. India's cheap, skilled manpower is attracting a number of companies, spanning diverse industries, making India a global manufacturing powerhouse. Manufacturing still contributes around 15 per cent of GDP of the country and India is ranked fifth in electrical machinery and apparatus as per United Nations Industrial Development Organization (UNIDO) analysis based on 2007 figures mentioned in the International Year book of Industrial Statistics 2009.

The rise in income coupled with availability of easy financing, increased affordability of products and increasing share of organized retail business are the main factors which are expected to drive the growth of consumer durable sector. The consumer durables industry is growing at about 10-12 per cent. Penetration of consumer durables is still very low and this market is the one that almost all players are targeting

Your Company continued to sustain its predominant position in the Electric Cooker segment as well as in the premium price segment of the Mixer Grinder Market. Quality of the product continues to be the strength of the Company to secure maximum customer satisfaction. During the year we introduced several new products, and revamped some of our current offerings to better suit consumer tastes. Your Company is planning to scale up its production capacity of Electric Cooker from 3 lakhs nos at present to 10 lakhs nos during 2010-2011 and the capacity expansion programme is progressing as scheduled. The Jar Cooker project is in the final stage of its completion and commencement of commercial production is expected during the end of this calendar year. The investment requirements will be met out through a combination of internal accruals and Bank borrowings.

Your Company is planning to combine its sales and marketing activities with that of Panasonic India Private Limited (PI) in order to concentrate more on manufacturing activities. PI being a sales company is able to get sales and marketing support from Panasonic Corporation to promote sale of Panasonic products in India. If the proposal is given effect, your Company's products also could benefit from the sales and marketing support received by PI from Panasonic Corporation besides saving in sales promotion expenses.

ANALYSIS OF FINANCIAL CONDITION AND RESULTS

During the year under review, your Company registered a growth of 22.75 % in sales compared to that of the previous year. The sale of manufactured products recorded a growth of 26.24 % compared to the previous year and the sale of the traded goods registered a growth of 21.41% compared to the previous year. On the export front there was a drop in sales mainly due to your Company equipping itself to adhere to certain international safety standards for cooker and mixer grinder. Company expects to meet the IEC standard for both Cooker and Mixie during the current year which will enable it to increase its exports sales considerably in the coming years.

During the year under review your Company achieved a profit before tax of Rs.258.84 Lakhs as against Rs.252.70 Lakhs, in the previous year. The profit after tax of your Company stood at Rs.141.68 Lakhs as against Rs.144.89 Lakhs in the previous year.

OUTLOOK ON OPPORTUNITIES, THREATS, RISKS AND CONCERNS

As a result of the rapid socio-economic changes taking place across India, many new markets are created besides expansion of the existing ones. With over 300 million people moving up from the category of rural poor to rural lower middle class between 2005 and 2025, rural consumption levels are expected to rise to current urban levels by 2017.

According to a study by the McKinsey Global Institute (MGI), Indian incomes are likely to grow three-fold over the next two decades and India will become the world's fifth largest consumer market by 2025, moving up from its position in 2007 as the 12th largest consumer market. The consumers will increase their spending owing to improving economic conditions. A large number of hypermarkets are expected to come into existence in tier-I and tier-II cities across India within two years to capitalize the boom in organized retail sector. Some of the big international retailers are also expected to establish their presence in Indian market in the immediate future.

A combination of changing lifestyles, higher disposable income, greater product awareness and affordable pricing have been instrumental in changing the pattern and amount of consumer expenditure leading to robust growth of consumer durables industry. It is expected that the momentum in the economy will be revived by the three stimulus packages announced by the Union Government. Implementing the recommendations of the recent Pay Commission will help to increase the spending power of Government employees. Cuts in the REPO and CENVAT rates would also encourage spending

Your Company is in the process of developing Electric Cookers meeting the IEC standards to cater to the export market. With the manufacture of Electric Cooker and Mixer Grinder meeting the international IEC standard, your Company expects to increase the export sales substantially in the coming years. The Jar type cooker project is in the final stage and the commercial production is expected to commence during the end of the calendar year 2009 barring unforeseen circumstances. Your Company has implemented several cost reduction measures to become more competitive.

Overall the sector promises significant growth opportunities. Strong distribution network backed by a separate sales company, own manufacturing facility, market positioning & branding coupled with product technology that benefit the customer through low power consumption, low service requirement and low cost of operation are the factors which strengthen your Company. Your Company intends to capitalize on the wide distribution network of Panasonic India Private Limited which includes Panasonic Brand Shops across the country to increase the sales of its products.

Entry of new players both Multinationals and domestic companies in the industry, Unbranded products and cheaper imports are the main causes of concern at this stage.

RISK MANAGEMENT

The Company has laid down procedures to inform Board members about risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management is controlling risks through properly defined framework.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Internal Control systems are adequate and regularly tested by our Statutory as well as Internal Auditors. Whenever it is required, the systems and procedures are upgraded.

HUMAN RESOURCES

Human Resource Management, work place safety and employee welfare have always been given utmost importance in your Company. Imparting adequate HR training programmes and specialized trainings to the employees of the Company is an on going exercise. The industrial relations in your Company continued to be cordial. The attrition rate for the year stood at 19%. The Company has 234 number of employees as on 31st March 2009.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could affect or influence Company's operations include global and domestic supply and demand conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

**ANNEXURE C TO DIRECTORS REPORT
CORPORATE GOVERNANCE
(Pursuant to Clause 49 of the Listing Agreement)**

The corporate governance framework of the Company is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values besides an effective independent Board and the separation of the Board's supervisory role from the executive management.

1. Company's Philosophy on Code of Governance

The Company continues to focus on Good corporate governance practices, which result in growth of business with all integrity, ethics and regulatory compliance and enhance long-term economic value of shareholders.

Your Company's primary objective is to create and adhere to a highest level of transparency, accountability and responsibility in all its operations, high business ethics, and interaction with all stakeholders including shareholders, employees and the Government. Your Company is committed to ultimate customer satisfaction by providing quality products and services.

2. Board of Directors

The Board functions as a full Board and it meets at regular intervals. Policy formulation, evaluation of performance and control function vests with the Board.

The meetings of the Board of Directors are normally held at the Chairman's office at Chennai. Meetings are generally scheduled well in advance and the notice of each Board Meeting is given to each Director. The Board meets at least once in a quarter to review the quarterly performance and the financial results.

The agenda for the Board/Committee Meetings along with explanatory notes are circulated to the Directors in advance. The Members of the Board are also free to recommend inclusion of any matter in the agenda for discussion.

The Board comprises of one Executive Director and Five Non-Executive Directors including three Independent Directors. The Chairman of the Board is a Non-Executive Director.

Composition and Category of Directors and attendance at the Board Meetings

The Composition of the Board is in conformity with Clause 49 of the Listing Agreement with the Stock Exchanges.

Name of the Director	Designation & Category	No. of Board Meetings in the year		Attendance at last A.G.M
		Held \$	Attended	
Mr.P.Obul Reddy	Chairman; Promoter; Non-Executive.	5	4	No
Mr.Hidenori Aso	Managing Director; Promoter; Executive.	5	5	Yes
Mr.Justice S Natarajan	Director; Non-Executive; Independent	5	5	Yes
Mr.A.Ragavendra Rao	Director; Non-Executive, Independent	5	5	Yes
Mr.K.Subramanian	Director; Non-Executive; Independent	5	5	Yes
Mr.P.Vijayakumar Reddy [^]	Director, Promoter; Non-Executive	2	Nil	No
Ms.Machiko Miyai	Director; Promoter; Non-Executive	5	Nil	No
Mr.Yuji Majima [^]	Director; Promoter; Non-Executive	2	Nil	No
Mr.Haruhiko Ogami [^]	Director; Promoter; Non-Executive	2	Nil	No

(\$)Held since appointment or up to resignation. (^) Mr.P.Vijayakumar Reddy, Mr. Yuji Majima and Mr. Haruhiko Ogami had been resigned with effect from 29th July 2008.

PANASONIC HOME APPLIANCES INDIA CO. LTD.

Details of the Board of Directors in terms of their Directorships / Memberships in Committees of other Public Companies (excluding Panasonic Home Appliances India Co. Ltd)

S.No.	Directors	No. of Directorships	No. of Committees		No. of Shares Held
			Member	Chairperson	
1	Mr.P.Obul Reddy	3	2	Nil	271910
2	Mr.H.Aso	Nil	Nil	Nil	0
3	Mr.Justice S Natarajan	2	2	1	500
4	Mr.A.Ragavendra Rao	2	2	Nil	0
5	Mr.K.Subramanian	4	3	1	0
6	Ms.Machiko Miyai	Nil	Nil	Nil	0

The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies.

In accordance with Clause 49 of the Listing Agreement, Memberships / Chairmanships of only the Audit Committees and Shareholders'/Investors' Grievance Committees of all Public Limited Companies have been considered.

Number of Board Meetings held, dates on which held

During the financial year ended 31st March 2009, Five Board Meetings were held on 09th May 2008, 29th July 2008, 31st October 2008, 27th January 2009 and 19th March 2009.

3. Committees of the Board

(A) Audit Committee:

Terms of reference

The Board has constituted Audit Committee in accordance with the requirements of Section 292A of the Companies Act 1956 and Clause 49 of the Listing Agreement with Stock Exchanges. The terms of reference of Audit Committee include the powers set out in Clause 49 II (C) and role stipulated in Clause 49 II (D) of the Listing Agreement.

The objective of the Audit Committee is to monitor and provide effective supervision of the Management's financial reporting processes with a view to ensure accurate and proper disclosure and the transparency and quality of financial reporting. The Committee also reviews the financial and risk management policies and the adequacy of internal control systems and meets Internal Auditors and Statutory Auditors periodically.

The Audit Committee reviews with the management, quarterly financial statements before submission to the Board of Directors for its approval. The Committee is also responsible for objectively reviewing the reports of the internal auditors and statutory auditors and ensuring adequate follow-up action is taken by management on observations and recommendations made by the auditors. In addition, the Committee annually reviews the performance of the Company's auditors (both internal and statutory), to ensure that an objective, professional and cost-effective relationship is being maintained.

Composition

The Audit Committee of the Company comprises solely of Independent Directors. During the year Four Audit Committee Meetings were held on 09th May 2008, 29th July 2008, 31st October 2008, and 27th January 2009. The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

Sl.No	Name of Member	Number of Meetings Attended
1.	Mr.Justice S. Natarajan, Chairman	4
2.	Mr.A.Ragavendra Rao	4
3.	Mr.K.Subramanian	4

All the members of the Audit Committee are financially literate with knowledge in finance and accounts. The Company Secretary acts as the Secretary to the Audit Committee. Apart from Statutory Auditors and Internal Auditors, Senior Officers from the Finance and Accounts Department attend the Audit Committee Meetings as invitees.

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on 24th September 2008.

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(B) Share Transfer and Investor Grievances Committee

Terms of reference

The functions and powers of the Committee include approval of transfers, transmissions, transpositions, splitting, consolidation of shares, issue of duplicate certificates and demat / remat requests within the purview of the guidelines issued by SEBI and Listing Agreement besides review and redressal of shareholders' and investors' complaints.

Composition

The Share Transfer and Investor Grievances Committee comprise Two Independent Directors and Managing Director.

During the year Ten Share Transfer and Investor Grievances Committee Meetings were held on 25th April 2008, 16th May 2008, 16th June 2008, 16th July 2008, 13th August 2008, 17th September 2008, 14th October 2008, 24th December 2008, 27th January 2009, and 17th February 2009. The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

SI.No	Name of Member	Number of Meetings Attended
1.	Mr.Justice S. Natarajan, Chairman	10
2.	Mr.Hidenori Aso	08
3.	Mr.K.Subramanian	10

The Company attends to the Shareholders correspondence and investor grievances expeditiously. During the year, the Company received 28 complaints and all the complaints have been redressed to the satisfaction of investors. There was no Shareholder/ Investor Compliant pending as on 31st March 2009.

(C) Remuneration Committee & Policy

Terms of Reference

The Company has constituted a Remuneration Committee in accordance with the requirements specified under the provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement. The functions of the Committee include recommendation of appointments to the Board, evaluation of the performance of the wholetime Directors on predetermined parameters, recommendation to the Board of the remuneration (including performance bonus and perquisites) to wholetime Directors.

Composition

The Remuneration Committee comprises Three Independent Directors and is chaired by Mr.Justice S Natarajan. The details of the composition of the Committee are set out in the following table:

SI.No	Name of Member
1.	Mr.Justice S. Natarajan, Chairman
2.	Mr.A.Ragavendra Rao
3.	Mr.K.Subramanian

During the year there was no meeting of the Remuneration Committee as there was no matter coming under the purview of the Remuneration Committee.

Whole-time Directors

The Company has only one Whole-time Director viz., the Managing Director. The details of remuneration paid to the Managing Director during the year is given below:

Name & Designation	Salary	Perquisites	Total
Mr.Hidenori Aso Managing Director	Rs.10,46,322/-	Rs. 90,726/-	Rs.11,37,048/-

The Managing Director was not paid any sitting fees for the Board Meetings attended by him. The Managing Director has been nominated by the Collaborator viz., M/s. Panasonic Corporation (formerly M/s. Matsushita Electric Industrial Co. Ltd.) Japan.

Non executive Directors' compensation and disclosures

All fees/compensation paid to non-executive directors, including independent directors, has been fixed by the Board of Directors. Company does not have any stock option plans.

The sitting fee for the Board and Committee Meetings had been revised effective from beginning of the financial year 2008- 09. Non-Executive Directors are paid sitting fee at the rate of Rs.10,000/- and Rs.8,000/- for attending each meeting of the Board and Audit Committee respectively. Non-Executive Directors are paid sitting fee at the rate of Rs.5,000/- for attending each Remuneration Committee Meeting and Rs.1,500/- for attending each Share Transfer and Investor Grievances Committee Meeting.

Information on the total sitting fees paid to each of the Non-executive Directors during the year for attending Meetings of the Board and Committees is set out in the following table:

Sl.No	Name of Director	Amount (Rupees)
1.	Mr.P.Obul Reddy	Nil
2.	Mr.Justice S Natarajan	97,000
3.	Mr.A.Ragavendra Rao	82,000
4.	Mr.K.Subramanian	97,000
5.	Mr.P.Vijayakumar Reddy	Nil
6.	Ms.Machiko Miyai	Nil
7.	Mr.Yuji Majima	Nil
8.	Mr.Haruhiko Ogami	Nil
	TOTAL	2,76,000

4. Annual General Meetings

(a) The last three Annual General Meetings were held as under: -

Financial Year ended	Date	Day	Time	Venue
31 st March 2008	24 th September 2008	Wednesday	10:15 a.m.	Sri.P.Obul Reddy Hall, Vani Mahal, # 103, G.N.Chetty Road, T.Nagar Chennai – 600 017
31 st March 2007	31 st August 2007	Friday	10:15 a.m.	Sri.P.Obul Reddy Hall, Vani Mahal, # 103, G.N.Chetty Road, T.Nagar Chennai – 600 017
31 st March 2006	30 th August 2006	Wednesday	10:15 a.m.	Sri.P.Obul Reddy Hall, Vani Mahal, # 103, G.N.Chetty Road, T.Nagar Chennai – 600 017

There were no resolutions requiring approval through postal ballot. Hence no resolution (Special / Ordinary) was put through postal ballot during the past three years.

(b) Disclosures:

(i) Related Party Transactions

The Company has not entered into any transactions of material nature with the Promoters, the Directors or the Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company. Transactions with related parties are disclosed under S.No.13 of the notes on Accounts under Schedule 12.

(ii) Compliances by the Company

The Company has complied with the requirements of the Stock Exchanges, SEBI and other Statutory Authorities on all matters related to capital markets and there were no strictures or penalties imposed either by SEBI or Stock Exchanges

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or any Statutory Authorities for non-compliance of any matter related to capital markets during the last three years.

The Company has complied with mandatory requirements of Clause 49 of the Listing Agreement. As regards the compliance with non-mandatory requirements, Company has constituted a Remuneration Committee and formulated a Whistle Blower Policy.

Code of Conduct

The Board of Directors and the Senior Management Staff have submitted the annual declaration of compliance, confirming the compliance with the provisions of Code of Conduct for the financial year ended 31st March 2009. The Code of Conduct will be posted on the website of the Company as and when it is created.

CEO / CFO CERTIFICATION

The Managing Director and Chief Operating Officer (as CFO) have submitted the certificate to the Board of Directors as required under Clause 49 of the Listing Agreement for the year ended 31st March 2009 and same was taken on record by the Board.

Prevention of Insider Trading

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, Company has framed and implemented code of conduct for prevention of insider trading.

5. Means of Communication:

- (a) Quarterly results were published in "Business Standard", "Trinity Mirror" and the Tamil version of the same was published in "Makkal Kural". Pursuant to the listing agreement with stock exchanges, Company files its financial and other information on the Electronic Data Information Filing and Retrieval (EDIFAR) website maintained by the National Informatics Centre (NIC).
- (b) The Management Discussion and Analysis Report forms part of the Annual Report.

6. General Shareholders Information:

i) Annual General Meeting

Date	September 25, 2009
Time	10.15 a.m
Venue	Sri.P.Obul Reddy Hall, Vani Mahal # 103, G.N.Chetty Road, Chennai – 600 017

ii) Financial Calendar

Adoption of Quarterly Results for the quarter ending

30 th June 2009	3 rd / 4 th week of July, 2009
30 th September 2009	3 rd / 4 th week of October 2009
31 st December 2009	3 rd / 4 th week of January 2010
31 st March 2010	01 st / 2 nd week of May 2010

iii) Date of Book Closure

September 19, 2009 to September 25, 2009 (Both days inclusive)

iv) Listing on Stock Exchanges

The Equity shares of the Company are listed on the Bombay Stock Exchange Limited and Madras Stock Exchange Limited. The Company confirms that it has paid annual listing fees to above Exchanges for the year 2009-2010.

v) Stock Code

Bombay Stock Exchange Ltd (BSE) : 523307
Madras Stock Exchange Ltd (MSE) : INDOMATAPP
ISIN : INE841C01015

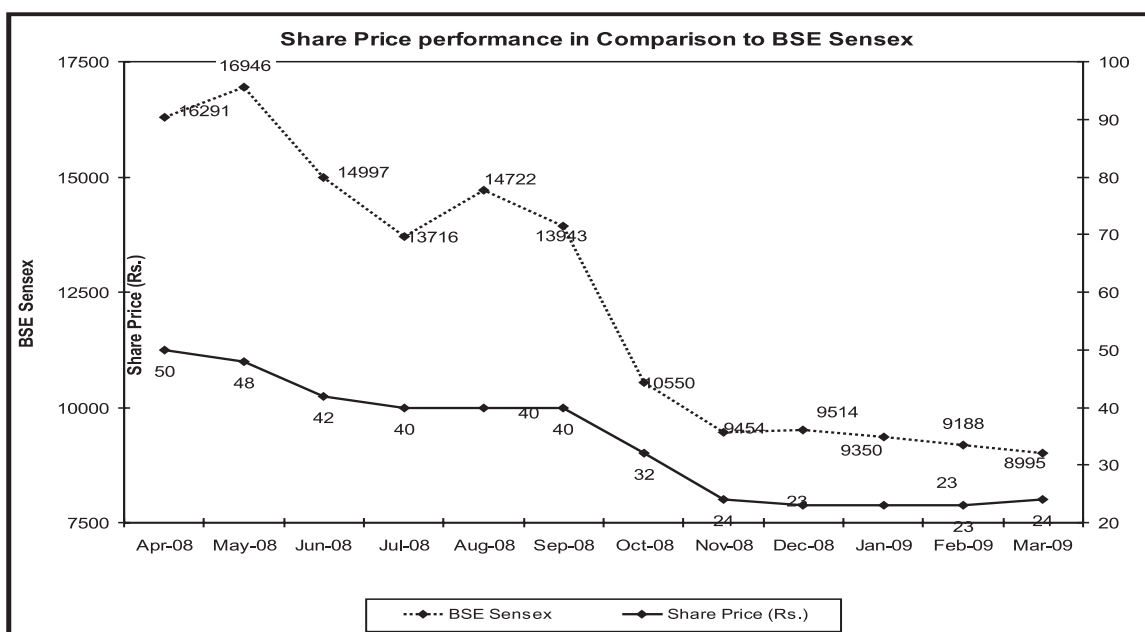
PANASONIC HOME APPLIANCES INDIA CO. LTD.

vi) Market Price data for the Financial Year ended March 2009

The reported high and low prices of the equity shares of the Company traded during the financial year 2008-2009 on the BSE are set out in the following table:

Month	Bombay Stock Exchange Limited	
	High (Rs.)	Low (Rs.)
April 2008	55.00	44.20
May 2008	52.50	43.10
June 2008	46.45	37.85
July 2008	44.15	34.50
August 2008	43.00	36.90
September 2008	44.85	34.00
October 2008	39.75	23.60
November 2008	25.90	21.50
December 2008	28.05	24.90
January 2009	26.10	21.00
February 2009	24.50	24.50
March 2009	25.85	24.15

vii) Performance in comparison with BSE Sensex



viii) Registrar & Share Transfer Agent:

M/s. Integrated Enterprises (India) Ltd acts as the Registrar and Share Transfer Agent of the Company. The Registrar and Share Transfer Agent handle investor services besides providing electronic connectivity for the purpose of dematerialization of Company's shares through NSDL and CDSL.

All share transfer and the relating queries may be forwarded to the Share Transfer Agent directly to their address mentioned under 6(xiv): -

ix) Share Transfer System

The Board has delegated the power to approve Share Transfer to the Share Transfer and Investor Grievances Committee. The Share Transfer and Investor Grievances Committee holds its meeting almost every month to consider all matters concerning transfer, transmission, transposition of shares. The shares received for transfer in physical mode by the Company are transferred expeditiously. Confirmation in respect of the request for dematerialization is sent to the depositories through the Registrars. The equity shares of the Company are traded only in dematerialized form.

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As required under Clause 47(c) of the listing agreements entered into with Stock Exchanges, a certificate is obtained every six months from a practising Company Secretary, with regard to, *inter alia*, effecting transfer, transmission, sub-division, consolidation, renewal and exchange of equity shares within one month of their lodgment. The certificates are forwarded to the Stock Exchanges where the equity shares are listed and also placed before the Board.

In terms of SEBI's circular no. D&CC/FITTC/CIR-16 dated December 31, 2002, a Secretarial Audit is conducted on a quarterly basis by a Practising Company Secretary, for the purpose of, *inter alia*, reconciliation of the total admitted equity share capital with the depositories and in the physical form with the total issued/paid-up equity capital of the Company. Certificates issued in this regard are placed before the Board and forwarded to the Stock Exchanges where the equity shares of the Company are listed.

x) Distribution of shareholding as on 31st March 2009:

No. of Shares	Number of Shareholders		Number of Shares	
	Number	%	Number	%
Upto 500	5,737	93.41	7,53,123	8.78
501 – 1000	219	3.56	1,82,278	2.13
1001 – 2000	64	1.04	1,00,162	1.17
2001 - 3000	38	0.62	98,371	1.15
3001 – 4000	16	0.26	57,609	0.67
4001 – 5000	12	0.20	56,382	0.66
5001 – 10000	23	0.37	1,64,788	1.92
10001 and above	32	0.54	71,57,287	83.52
Total	6,141	100.00	85,70,000	100.00

Shareholding pattern as on 31st March 2009

Category	No. of Shareholders	No. of Shares held	% of Shareholding
Indian Promoters	10	16,65,106	19.43
Foreign Promoters	1	43,70,000	50.99
Corporate Bodies	91	5,23,978	6.11
Mutual Funds & UTI	2	1,700	0.02
Banks & Financial Institutions	7	1,700	0.02
NRIs/OCBs	12	5,976	0.07
Indian Public	6,010	19,97,674	23.31
Clearing Member	8	3,866	0.05
Total	6,141	85,70,000	100.00

xi) Dematerialisation of Shares and Liquidity

The Company's shares are available for trading in dematerialized form. The International Securities Identification Number (ISIN) allotted is INE841C01015. As on 31st March 2009, 19,10,865 Equity Shares constituting 22.30% of the paid-up share capital of the Company have been dematerialized. Panasonic Corporation (formerly Matsushita Electric Industrial Company Ltd.,) the foreign promoter and collaborator of the Company continues to hold its shares amounting to 50.99% of the aggregate paid up capital of the Company in physical form.

xii) Outstanding GDR / ADR / Warrants or any convertible instruments

The Company has not issued any GDR / ADR / Warrants or other convertible instruments.

xiii) Plant Location

N.H.No.5, Sholavaram Village, Ponneri Taluk, Chennai – 600 067

xiv) Address for Correspondence:

In line with the requirement of Clause 47(f) of the Listing Agreement, Company has designated an email ID secretary@panasonicindia.in exclusively for the purposed of registering complaints by investors.

The Shareholders may address their correspondence to:

Compliance Officer

Tom Antony
Company Secretary
Panasonic Home Appliances India Co. Ltd
"SPIC House" Annexe, 6th Floor
#88, Mount Road, Guindy
Chennai – 600 032
Phone Nos.:044-22304201 – 05;
Fax No.: 044 - 22304200
Email:tom.antony@panasonicindia.in

Registrars and Transfer Agents

M/s. Integrated Enterprises (India) Limited
"Kences Towers", 2nd Floor, #1, Ramakrishna Street
North Usman Road, T.Nagar, Chennai – 600 017
Tamil Nadu
Phone Nos.: 044 - 28140801 Fax: 044 – 28142479
Email: corpserv@iepindia.com
Website: www.iepindia.com

(By Order of the Board)
For Panasonic Home Appliances India Co. Ltd

P.OBUL REDDY
CHAIRMAN

Place : Chennai
Date : July 21, 2009

Declaration in respect of Compliance with the Code Conduct

I Hidenori Aso, Managing Director of the Company hereby declare and confirm that all Directors and Senior Officers of the Company have affirmed compliance with Code of Conduct of the Company for the year ended 31st March 2009.

Place : Chennai
Date : May 22, 2009

HIDENORI ASO
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF PANASONIC HOME APPLIANCES INDIA CO. LIMITED

We have examined the compliance of conditions of Corporate Governance by Panasonic Home Appliances India Company Limited, for the year ended 31st March 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information, and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **BRAHMAYYA & CO.**
Chartered Accountants
R.Nagendra Prasad
Partner
Membership No.203377

Place : Chennai
Date : May 22, 2009

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AUDITORS' REPORT

TO THE MEMBERS OF PANASONIC HOME APPLIANCES INDIA COMPANY LIMITED

1. We have audited the attached Balance Sheet of Panasonic Home Appliances India Company Limited, as at 31st March 2009, and also the Profit and Loss account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An Audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance sheet, Profit and Loss account and Cash Flow Statement dealt with by this report comply with the Accounting standards Referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the Directors as on 31st March 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (vi) In our opinion and to the best of our information and according to the explanation given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting Principles generally accepted in India;
 - (a) In the case of the Balance Sheet, of the state of Affairs of the Company as at 31st March, 2009;
 - (b) In the case of the Profit and Loss Account, the profit for the year ended on that date; and
 - (c) In the case of the Cash Flow Statement of the cash flow for the year ended on that date.

For **BRAHMAYYA & CO.,**
Chartered Accountants.

R.Nagendra Prasad
Partner

Membership No.203377

Place : Chennai

Date : May 22, 2009

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

1. The provisions of Clauses of paragraph 4 of the Companies (Auditor's Report) Order, 2003 listed below are not applicable to the Company for the year:
 - a) Clause (vi) regarding acceptance of deposits.
 - b) Clause (viii) regarding maintenance of cost records under section 209 (1)(d) of the Companies Act, 1956;
 - c) Clause (xii) regarding loans granted against pledge of shares and securities etc., .
 - d) Clause (xiii) regarding special statute applicable to Chit Fund and Nidhis / Mutual Benefit Fund and Societies;
 - e) Clause (xiv) regarding dealing or trading in shares, securities etc;
 - f) Clause (xviii) regarding preferential allotment of shares to specified parties;
 - g) Clause (xix) regarding creation of securities in respect of debentures; and
 - h) Clause (xx) regarding the money raised by public issue and its end use.
2. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. Fixed Assets have been physically verified by the management during the year based on the programme of verifying all the assets over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and nature of its fixed assets. No material discrepancies were noticed on such verification. During the year there was no substantial disposal of fixed assets affecting the status of the Company as a going concern.

PANASONIC HOME APPLIANCES INDIA CO. LTD.

3. Physical verification of inventory has been conducted by the Management at reasonable intervals. The procedures of physical verification of the inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business. The Company is maintaining proper records of its inventory and the discrepancies noticed on verification between the physical stocks and the book records were not material and have been adequately dealt with in the books of account.
4. (a) In our opinion and according to the information and explanations given to us, the Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
(b) In our opinion and according to the information and explanations given to us, the Company has not taken any loan secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
5. In our opinion and according to the information and explanation given to us, there are adequate internal control procedure commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
6. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions need to be entered in to the register maintained under section 301 of the Companies Act 1956 have been so entered.
7. In our opinion and according to the information and explanations given to us, the transaction made in pursuance of contracts or arrangements entered in the registers maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs.5,00,000/- in respect of any party during the year have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time.
8. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
9. According to the records of the Company, the Company has been regular in depositing undisputed statutory dues including provident fund, income tax, sales tax, wealth- tax, service tax, custom duty, excise duty, cess and other statutory dues with the appropriate authorities during the year. We are informed that the Company is exempt from the provision of Employees State Insurance Act (ESI) and there are no amounts due or outstanding to be transferred to Investors Education and Protection Fund. There are no undisputed amounts payable in respect of statutory dues, which are outstanding as at 31st March 2009 for a period of more than six months from the date they become payable.
10. Based on our audit procedures and on the information and explanations given by the Management, there are no dues outstanding in respect of excise duty, custom duty, wealth tax and cess on account of any dispute. The detailed of disputed income tax, sales tax and service tax that have not been deposited with appropriate authorities are as follows.

Nature of Dues	Amount (in Rs.)	Forum where dispute is pending
Sales Tax demands for the financial year 2001-2002 and 2002-2003	2,20,582	Assistant Commissioner of Sales Tax (Appeals) Kolkata
Income Tax demands for the Assesment year 2004-2005	11,73,215	Income Tax Appellate Tribunal
Income Tax demands for the Assessment year 2005-2006	29,42,743	Commissioner of Income Tax (Appeals)
Service Tax Liability on the Royalty Payment	21,00,041	Service Tax Appellate Authorities, Chennai

11. The Company has no accumulated losses as at the end of the financial year. The Company has not incurred any cash losses during the current and the immediately preceding financial year.
12. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company has not obtained any borrowings from any financial institutions or by way of debentures.
13. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial Institutions.
14. On the basis of the review of utilisation of funds, the term loans taken by the Company were applied for purposes for which the loans were obtained
15. No funds raised on short term basis have been used for long term investment and vice versa except that surplus funds through operations are invested in fixed deposits with banks.
16. Based upon the audit procedures performed and information and explanations given by the Management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

Place : Chennai
Date : May 22, 2009

Panasonic

Balance Sheet as at 31st March 2009

	Schedule No.	As at 31st March 2009		As at 31st March 2008	
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1	85,700,000		85,700,000	
Reserves and Surplus	2	<u>92,681,976</u>		<u>90,545,967</u>	
			178,381,976		176,245,967
Loan Funds:					
Secured Loans	3	16,875,000		23,444,308	
Unsecured Loans	4	<u>1,118,226</u>		<u>3,040,569</u>	
			17,993,226		26,484,877
Deferred Tax Liability (Net)			3,626,110		3,886,834
(Refer Note No: 6 of Schedule 12)					
TOTAL			<u>200,001,312</u>		<u>206,617,678</u>
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	5	323,298,335		286,610,758	
Less: Depreciation		<u>188,900,403</u>		<u>173,361,590</u>	
Net Block			134,397,932		113,249,168
Investments	6		—		1,930,000
Current Assets, Loans and Advances					
Inventories	7	133,280,941		110,276,335	
Sundry Debtors		71,136,270		65,196,574	
Cash and Bank Balances		20,611,850		53,630,198	
Income Receivable		251,107		4,503,158	
Loans and Advances		<u>62,287,705</u>		<u>41,681,112</u>	
(A)		287,567,873		275,287,377	
Less: Current Liabilities and Provisions	8				
Current Liabilities		160,598,323		126,733,370	
Provisions		<u>61,366,170</u>		<u>57,115,497</u>	
(B)		221,964,493		183,848,867	
Net Current Assets (A-B)			<u>65,603,380</u>		<u>91,438,510</u>
TOTAL			<u>200,001,312</u>		<u>206,617,678</u>
Notes on Accounts	12				

As per our report of even date attached

For and on behalf of the Board of Directors

for **BRAHMAYYA & CO.,**
Chartered Accountants

R. NAGENDRA PRASAD
Partner
Membership No.203377
Place: Chennai
Date : May 22, 2009

HIDENORI ASO
Managing Director

A. RAGAVENDRA RAO
Director

JUSTICE S. NATARAJAN
Director

K. SUBRAMANIAN
Director

P. OBUL REDDY
Chairman

TOM ANTONY
Company Secretary

PANASONIC HOME APPLIANCES INDIA CO. LTD.

Profit and Loss Account for the year ended 31st March 2009

	Schedule No.	1st April 2008 to 31st March 2009		1st April 2007 to 31st March 2008	
		Rs.	Rs.	Rs.	Rs.
INCOME					
Sales (Gross)		1,098,628,103		895,025,548	
Less: Excise Duty		110,621,687	988,006,416	104,041,156	790,984,392
Other Income	9		10,651,920		7,657,804
TOTAL (A)			998,658,336		798,642,196
EXPENDITURE					
Manufacturing and other expenses	10		765,888,228		605,433,062
Cost of Traded Goods (Refer Note No. 15(b) of Schedule 12)			183,564,338		148,509,419
Interest	11		4,844,042		4,388,105
Depreciation			18,477,680		15,041,487
TOTAL (B)			972,774,288		773,372,073
Profit Before Tax (A-B)			25,884,048		25,270,123
Less: Provision for Taxation :					
Current		9,100,000		11,000,000	
Deferred		(260,725)		(2,253,107)	
Fringe Benefit Tax		2,876,998	11,716,273	2,033,861	10,780,754
Profit After Tax			14,167,775		14,489,369
Add : Profit Brought forward from previous year		26,105,867		24,332,676	
Less : Adjustment for liability of defined benefit plans:					
Gratuity & Leave Encashment in accordance with AS-15 (Revised) - Employee benefits (Net of deferred tax of Rs. 13,84,989)			– 26,105,867	(2,689,706)	21,642,970
Amount available for appropriation			40,273,642		36,132,339
Less : Appropriation					
(a) Proposed Dividend		10,284,000		8,570,000	
(b) Taxation on Dividends		1,747,766		1,456,472	
(c) General Reserve		354,194	12,385,960	–	10,026,472
Balance in Profit carried to Balance Sheet			27,887,682		26,105,867
Net Profit after taxation			14,167,775		14,489,369
Number of Equity Shares			8,570,000		8,570,000
Nominal value of Equity Shares			10.00		10.00
Earning per Share – Basic and Diluted			1.65		1.69
Notes on Accounts	12				

As per our report of even date attached

For and on behalf of the Board of Directors

for **BRAHMAYYA & CO.,**
Chartered Accountants

R. NAGENDRA PRASAD
Partner
Membership No.203377
Place : Chennai
Date : May 22, 2009

HIDENORI ASO
Managing Director

A. RAGAVENDRA RAO
Director

JUSTICE S. NATARAJAN
Director

K. SUBRAMANIAN
Director

P. OBUL REDDY
Chairman

TOM ANTONY
Company Secretary

Panasonic

Schedules to Accounts

	As at 31st March 2009		As at 31st March 2008	
	Rs.	Rs.	Rs.	Rs.
Schedule 1				
SHARE CAPITAL				
Authorised				
1,30,00,000 Equity Shares of Rs.10 each		<u>130,000,000</u>		<u>130,000,000</u>
Issued,Subscribed and Paid-up				
85,70,000 Equity Shares of Rs.10 each		<u>85,700,000</u>		<u>85,700,000</u>
(Of the above, 43,70,000 Equity Shares of Rs. 10 each are held by the Holding Company Panasonic Corporation Japan)				
Total		<u>85,700,000</u>		<u>85,700,000</u>
Schedule 2				
RESERVES AND SURPLUS				
Capital Reserve				
As per Last Balance Sheet				
(a) Subsidy received from State Industries Promotion Corporation of Tamil Nadu Ltd.	<u>2,609,000</u>		<u>2,609,000</u>	
(b) Profit on Re-issue of forfeited shares	<u>4,500</u>	<u>2,613,500</u>	<u>4,500</u>	<u>2,613,500</u>
Share Premium Account				
As per Last Balance Sheet				
General Reserve		<u>354,194</u>		<u>-</u>
(Trasfer from Profit & Loss Account during the year)				
Balance in Profit and Loss Account		<u>27,887,682</u>		<u>26,105,867</u>
Total		<u>92,681,976</u>		<u>90,545,967</u>
Schedule 3				
SECURED LOANS				
Interest Free Sales Tax Loan from State Industries Promotion Corporation of Tamil Nadu Limited for Cooker Project (Amount due within one year Rs.Nil) (Previous year Rs.9,44,308) (Refer Note No: 3.1 of Schedule 12)		<u>-</u>		<u>944,308</u>
Term Loan-The Bank of Tokyo UFJ Ltd. (Amount due within one year Rs.1,12,50,000) (Previous year Rs. 56,25,000) (Refer Note No: 3.2 of Schedule 12)		<u>16,875,000</u>		<u>22,500,000</u>
Total		<u>16,875,500</u>		<u>23,444,308</u>
Schedule 4				
UNSECURED LOANS				
Interest Free Sales Tax Loan from State Industries Promotion Corporation of Tamil Nadu Limited for Mixer- Grinder Project (Amount due within one year Rs.11,18,226) (Previous year Rs. 19,22,342)		<u>1,118,226</u>		<u>3,040,569</u>
Total		<u>1,118,226</u>		<u>3,040,569</u>

Schedule 5

FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Cost as on 31/Mar/08 Rs.	Additions during the year Rs.	Deletions during the year Rs.	Cost as on 31/Mar/09 Rs.	Upto 31/Mar/08 Rs.	For the year Rs.	On Deletions Rs.	Upto 31/Mar/09 Rs.	As on 31/Mar/09 Rs.	As on 31/Mar/08 Rs.
Land	2,116,840	-	-	2,116,840	-	-	-	-	2,116,840	2,116,840
Building	25,557,358	1,626,071	-	27,183,429	10,716,131	878,702	-	11,594,833	15,588,596	14,841,227
Plant&Machinery	224,302,987	9,970,999	2,363,176	231,910,810	142,419,623	13,075,787	2,223,642	153,271,768	78,639,042	81,883,364
Furniture,Fixtures & Fittings	21,739,462	2,691,190	194,091	24,236,561	13,493,518	2,370,262	179,125	15,684,655	8,551,906	8,245,944
Vehicles	7,955,472	-	1,124,890	6,830,582	3,360,095	1,057,650	536,099	3,881,646	2,948,936	4,595,377
<u>Intangible</u>										
Computer Software	4,938,639	1,145,892	-	6,084,531	3,372,223	1,095,278	-	4,467,501	1,617,030	1,566,416
Sub Total	286,610,758	15,434,152	3,682,157	298,362,753	173,361,590	18,477,679	2,938,866	188,900,403	109,462,350	113,249,168
Capital Work in Progress									24,935,582	
Total	286,610,758	15,434,152	3,682,157	298,362,753	173,361,590	18,477,679	2,938,866	188,900,403	134,397,932	113,249,168
Previous Year	239,629,757	48,838,826	1,857,825	286,610,758	159,831,691	15,041,487	1,511,588	173,361,590	113,249,168	79,798,066

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	As at 31st March 2009		As at 31st March 2008	
	Rs.	Rs.	Rs.	Rs.
Schedule 6				
INVESTMENTS				
Long Term				
Non Trade :-Unquoted				
Investment in Bonds at cost				
193 Bonds of Rs.10000 each in SIDBI Capital Gains				
Bond redeemable at par on expiry of three years from the date of allotment i.e., 31st March, 2006				
	1,930,000		1,930,000	
Less: Redeemed during the year	1,930,000		—	
Total		—		1,930,000
Schedule 7				
CURRENT ASSETS, LOANS AND ADVANCES				
A.Current Assets				
Inventories :				
(As certified by the Management)				
(Ref: Note 1.(E) of Schedule 12 for basis of valuation)				
(a) Raw materials and Components	22,121,395		19,015,178	
(b) Stores and spares at cost	1,189,237		2,132,207	
(c) Work in progress	15,608,896		15,851,472	
(d) Finished Goods	87,865,378		62,837,182	
(e) Raw materials and Components in transit	6,496,035		10,440,296	
		133,280,941		110,276,335
Sundry Debtors				
(Unsecured, considered good unless otherwise stated)				
Debts Outstanding for a period exceeding 6 months	—		—	
Other Debts	71,136,270		65,196,574	
		71,136,270		65,196,574
Cash and bank balances				
Cash on hand	45,187		95,466	
Balances With Scheduled Banks				
In Current Accounts	2,066,663		2,434,732	
In Deposit Accounts	18,500,000		51,100,000	
		20,611,850		53,630,198
Income Receivable		251,107		4,503,158

PANASONIC HOME APPLIANCES INDIA CO. LTD.

	As at 31st March 2009		As at 31st March 2008	
	Rs.	Rs.	Rs.	Rs.
B.Loans and advances				
(Unsecured, considered Good)				
Advances recoverable in cash or in kind or for value to be received				
Considered good	19,848,492		10,095,285	
Considered doubtful	—		610,500	
	<u>19,848,492</u>		<u>10,705,785</u>	
Less: Provision for doubtful advance	—		610,500	
	<u>19,848,492</u>		<u>10,095,285</u>	
Advance Income Tax & Tax Deducted at Source	42,438,213		31,584,827	
Balance with Excise Authorities	1,000		1,000	
		<u>62,287,705</u>		<u>41,681,112</u>
Total		<u>287,567,873</u>		<u>275,287,377</u>
Schedule 8				
CURRENT LIABILITIES AND PROVISIONS				
A.Current Liabilities				
Sundry Creditors				
For Materials, Expenses, Capital items etc.				
(I) Amount due to Micro and Small Enterprises (Refer Note 8 of Schedule 12)	—		—	
(II) Other than Micro and Small Scale Enterprises	144,486,469		113,855,655	
	<u>144,486,469</u>		<u>113,855,655</u>	
For others	15,399,548		12,354,597	
		<u>159,886,017</u>		126,210,252
Investor Education and Protection Fund				
Unclaimed Dividends		712,306		523,118
		<u>160,598,323</u>		<u>126,733,370</u>
B. Provisions				
For Taxation	39,222,229		30,122,229	
For Proposed Dividend and Tax thereon	12,031,766		10,026,472	
For Gratuity	5,091,791		8,861,000	
For Leave encashment	2,934,777		2,582,000	
For Warranty Claims	2,085,607		5,523,796	
		<u>61,366,170</u>		<u>57,115,497</u>
Total		<u>221,964,493</u>		<u>183,848,867</u>

Panasonic

	1st April, 2008 to 31st March 2009		1st April, 2007 to 31st March 2008	
	Rs.	Rs.	Rs.	Rs.
Schedule 9				
OTHER INCOME				
Duty Draw Backs received		36,999		237,594
Special Additional Duty Refund		1,020,675		–
Interest On Deposits with Banks,etc [Tax Deducted at source Rs.2,82,266/- (Previous Year : Rs. 11,45,173/-)]		1,897,557		5,409,402
Scrap Sales		466,691		292,409
Gain on Foreign Exchange Transactions(Net)		1,105,605		358,889
Profit on sale of Fixed Assets (Net)		–		62,434
Insurance claim received		156,941		539,897
Sales Tax Refund Received		–		749,721
Bad debts recovered		2,000,000		–
Excess provisions / Credit balances written back		3,941,719		–
Miscellaneous income		25,733		7,458
Total		10,651,920		7,657,804
Schedule 10				
MANUFACTURING AND OTHER EXPENSES				
Raw materials and Components consumed [Net of Process Scrap Sales - Rs.1,24,49,664/- (Previous Year - Rs.1,30,63,785/-)]		366,957,578		315,852,983
Stores and spares Consumed		12,519,735		8,233,686
Power		6,297,808		6,776,359
Fuel		11,809,959		7,976,725
Royalty		8,672,880		5,003,891
Brand Licence Fee		5,727,067		5,003,891
Payments and Benefits to employees				
Salaries,Wages and Bonus	73,375,583		58,846,556	
Contributions to Provident Fund	4,196,478		3,275,230	
Gratuity	1,474,035		1,561,270	
Leave Encashment	851,970		651,480	
Staff welfare	9,379,410		7,098,527	
		89,277,476		71,433,063
Product Development Expenses		1,158,135		921,420
Travelling and conveyance		22,684,438		16,078,581
Insurance		2,432,588		2,075,148
Rent		6,245,480		4,764,741
Communication		3,671,410		3,083,331
Printing & Stationery		1,250,385		1,278,541
Rates and taxes		1,463,171		775,212
Repairs and Maintenance				
Machinery	1,831,244		1,300,744	
Buildings	899,964		1,733,326	
Vehicles	595,599		354,093	
Others	2,351,962		2,062,862	
		5,678,769		5,451,025
Directors' Sitting Fees		276,000		158,000

PANASONIC HOME APPLIANCES INDIA CO. LTD.

	1st April, 2008 to 31st March 2009		1st April, 2007 to 31st March 2008	
	Rs.	Rs.	Rs.	Rs.
Audit Fees :				
For Statutory Audit	250,000		250,000	
For Tax Audit	100,000		87,500	
For Certification, Special Reports and other matters (Includes fee paid for certification under clause 41 and 49 of the listing agreement)	<u>163,000</u>		<u>132,416</u>	
		513,000		469,916
Professional Charges		2,376,926		1,485,535
Bank charges & Guarantee Commission		1,487,026		1,198,644
Advertisement and sales promotion (Refer Note No. 4 of Schedule 12)		162,817,380		122,084,394
Incentives on Sales		10,789,868		4,431,447
Commission on Sales		11,604,348		12,166,101
Freight		19,023,546		12,923,957
Turnover tax & Purchase Tax		299,035		76,156
Warranty Cost				
Warranty Claims	3,319,588		1,412,123	
Provision for Replacements	<u>—</u>		<u>4,589,552</u>	
		3,319,588		6,001,675
Advances Written off	610,500		—	
Less : Provision for Advances	610,500		—	
Loss on sale of Fixed Assets (net)	<u>—</u>	117,434	<u>—</u>	—
Unserviceable/Obsolete Stocks written off		2,286,016		2,857,767
Miscellaneous Expenses		7,658,211		5,557,109
Less/Add : (Increase) / Decrease in Stock				
Opening Stock				
Work in process	15,851,472		10,554,142	
Finished Goods	<u>31,410,377</u>		<u>12,460,150</u>	
		47,261,849		23,014,292
Less: Adjustment for excise duty on finished goods	<u>(3,285,106)</u>		<u>5,561,321</u>	
		43,976,743		28,575,613
Less : Closing Stock				
Work in process	15,608,896		15,851,472	
Finished Goods	<u>30,894,876</u>		<u>31,410,377</u>	
	46,503,772	(2,527,029)	47,261,849	(18,686,236)
Total		<u>765,888,228</u>		<u>605,433,062</u>
Schedule 11				
INTEREST				
Interest				
- on fixed loans		2,032,944		546,507
- on Others		2,811,098		3,841,598
Total		<u>4,844,042</u>		<u>4,388,105</u>

Panasonic

SCHEDULE 12

NOTES ON ACCOUNTS

1. Significant Accounting Policies

A. Basis of Accounting

The financial Statements have been prepared under the historical cost convention and comply with the Accounting Standards as specified in the Companies (Accounting Standards) Rules 2006.

B. Fixed Assets

All tangible assets and Technical Know-how Fees are stated at Cost less depreciation. Cost includes, in the case of substantial expansion or diversification, pre-operative expenses incurred up to the date of commencement of commercial production.

C. Depreciation

The company has adopted the following method of providing depreciation:

- i. Plant and Machinery and buildings are depreciated under Straight Line Method and all assets other than Land, Building and Plant and Machinery are depreciated under Written Down Value method. The rates adopted are those prescribed under Schedule XIV to the Companies Act, 1956.
- ii. Assets costing less than Rs.5,000/- individually are fully depreciated.
- iii. Technical Know-how Fee of Rs.7,19,255/- paid before commencement of operations included in Plant and Machinery is depreciated under Straight Line Method at the rates prescribed under Schedule XIV to the Companies Act, 1956.
- iv. Technical Know-how Fee of Rs. 1,03,64,232/- paid after commencement of operations included in Plant and Machinery is amortized over a period of 6 years.

D. Impairment

The carrying amounts of assets are reviewed at each balance sheet date. If there is any indication of impairment based on internal/external factors, an impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital .

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

E. Inventories

- (i) Raw Materials, Components and Stores (including in transit) are valued at lower of cost and net realizable value. Cost is arrived at on the basis of issues being charged out on weighted average cost method.
- (ii) Finished goods and Work-in-Process are valued at lower of cost and net realizable value.
- (iii) Trade goods are valued at lower of cost or net realizable value. The cost of goods is arrived at on the basis of issues being charged out on 'First - in - First - out' method.

F. Foreign Exchange Transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Foreign currency monetary assets and liabilities are translated at the year-end exchange rate. Exchange differences arising on settlement of transactions and translation of monetary items are recognized as income or expense in the profit and loss account.

Premium or discount on forward exchange contract other than those contracts entered into to hedge the foreign currency risk of a firm commitment or a highly probable forecast transaction is recognized as income or expense over the period of the contract.

G. Borrowing Costs

Borrowing cost that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of such asset till such time as the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expenses in the period in which they are incurred.

H. Insurance Claims

Insurance Claims are accounted on the basis of receipts of claim money or intimation of acceptance if received earlier.

I. Product Warranty

The Company has warranty obligations on the products sold by it. Provision for warranty is made based on past experience.

J. Government Grants

- i) Government Grants received in the nature of promoter's contribution is credited to Capital Reserve.
- ii) Government Grants related to specific fixed assets received on or after 01.04.1994 are credited to Deferred Government Grants. These grants are treated as deferred income and recognized in the Profit & Loss Account over the useful life of assets in the proportion in which depreciation on related assets is charged.

K. Taxes on Income

Provision for Taxation, the aggregate of Income Tax Liability on the profits for the year chargeable to tax and Deferred Tax resulting from timing differences between Book and Tax Profits, is provided in accordance with the Accounting Standard – 22 (AS-22) – “Accounting for Taxes on Income”, issued by the Institute of Chartered Accountants of India.

L. Employee Benefit

Contribution to Provident fund which is in the nature of defined benefit contribution scheme and the contributions made is charged to profit and loss account.

Gratuity which is in the nature of defined benefit scheme and provided in the Books of Account based on actuarial valuation. The Liability for Gratuity is funded with Life Insurance Corporation of India under Group Gratuity Scheme.

Leave Encashment benefits is provided for based on valuation, as at the balance sheet dates made by an independent actuary. Leave encashment benefits are provided for based on the rules of the company.

2. Contingent Liabilities

- 2.1 The company has received a Demand from Service Tax cell of Central Excise Department regarding Service Tax Liability of Rs.21,00,041/- (Previous year Rs.19,66,689)payable on Royalty as per the order of Deputy Commissioner (Appeals). The Company has preferred an appeal against the order with the Appellate authorities and the matter is pending for the issuance of final orders. The Company has been advised by the Legal counsel that the said sum is recoverable from the collaborator as per the terms of Technical Assistance Agreement.
- 2.2 The Company has received a demand notice of Rs. 11,73,215/- (previous year Rs.11,73,215) from Income Tax Department for the Assessment Year 2004-05. The company's appeal is partially allowed by Commissioner of Income Tax (Appeals) and revision of demand order is pending. Further, the company has preferred an appeal with Income Tax Appellate Tribunal against the order of CIT (Appeals).
- 2.3 The Company has received a demand notice of Rs. 29,42,743/- from Income Tax Department for the Assessment Year 2005-06. The company has preferred an appeal against the order of the Deputy Commissioner of Income Tax and the appeal is pending before the Commissioner of Income Tax (Appeals).
- 2.4 The company has received demand notice for Rs.2,20,582/- from Sales Tax Department, West Bengal, for the Assessment years 2001-02 and 2002-03. The Company has preferred an appeal against demand and the appeal is pending before Assistant Commissioner of Sales Tax(Appeal), Kolkata.

Panasonic

3. Secured Loans

- 3.1 Interest-Free Sales Tax Loan for Cooker Project from State Industries Promotion Corporation of Tamil Nadu Limited is secured by a first charge on the immovable properties and Machinery, Plant, Fixtures, etc.
- 3.2 Mid Term Loan availed from a Bank for funding the New Mixie Project is secured by hypothecation of all present and future current assets of the company.
- 3.3 The Cash Credit and Bill Discounting facilities from Banks are secured by a first charge on inventories and book debts. However, the Company does not have any amount outstanding as on 31st March 2009.
4. Advertisement and Sales Promotion Expenses is net of amount reimbursed by the Collaborator/Associate Companies amounting to **Rs. 1,52,87,886/-**. (Previous Year Rs.49,76,389/-).

5. Warranty Claims

The following is the Reconciliation of the changes in the warranty liability for the Financial year 2008-09

	2008-09	2007-08
	Rs.	Rs.
Opening Balance	55,23,796	5,59,980
Add: Additions during the year	33,19,588	60,01,675
	88,43,384	65,61,655
Less: Settled during the year	31,05,055	10,37,859
Less: Written Back*	36,52,722	Nil
Closing Balance	20,85,607	55,23,796

*Amount written back represents the provision no longer required written back from the provision made for replacement of Chutney Cup for the New Model Mixie in the previous year.

6. For the current year ended 31st March, 2009 timing differences have resulted in a net deferred tax credit amounting to Rs. 2,60,725/- which is credited to profit and loss account.

The Components of Deferred Tax Liability and Asset as at 31st March, 2009 are as detailed below:

	2008-09	2007-08
	Rs.	Rs.
A. Deferred Tax liability		
Timing difference on account of Depreciation	1,19,00,715	1,32,06,735
Total – A	1,19,00,715	1,32,06,735
B. Deferred Tax Asset		
Timing difference on account of Provision for bad and doubtful advances	-	2,07,509
Royalty	48,94,542	34,01,645
Provision for retirement benefits	27,28,230	38,89,476
Bonus, Taxes and other expenses	6,51,833	18,21,270
Total – B	82,74,605	93,19,900
C. Deferred Tax Liability -Net (A-B)	36,26,110	38,86,835

7. Managing Director's Remuneration

	2008-09	2007-08
	Rs.	Rs.
Mr. H.Aso		
Salary	10,46,322	13,57,536
Perquisites	90,726	82,836
Total	11,37,048	14,40,372

PANASONIC HOME APPLIANCES INDIA Co. LTD.

8. Amounts due to Micro, Small and Medium Enterprises.

Principle amount due to Micro and Small enterprises under “ The Micro, Small and Medium Enterprises development Act, 2006” amount to Rs. NIL. No Interest is paid/ payable to such enterprises for the year ended 31st Mar 2009. This information as required to be disclosed has been determined to the extent such parties have been identified on the basis of information available with the company.

Information as required to be disclosed as per the Micro, Small and Medium Enterprises Act, 2006 (MSME Act) as at 31st March 2009.

a) Principle amount due to suppliers under MSME Act	Nil
b) Interest accrued and due to suppliers under MSME Act.	Nil
c) Payment to suppliers (other than interest) beyond the appointed day, during the year	Nil
d) Interest paid to suppliers under MSME Act (Under Sec 16)	Nil
e) Interest due and payable to suppliers under MSME Act. (for payments already made)	Nil
f) Interest accrued and remaining unpaid at the end of the year to suppliers under MSME Act.	Nil

9. Particulars of Expenditure in Foreign Currency (On payment basis)

	2008-09	2007-08
	Rs.	Rs.
Traveling	44,36,245	6,96,051
Royalty (Net of Taxes)	42,10,399	34,61,544
Brand License Fee (Net of Taxes)	38,57,125	32,50,687
Design & Consultancy Charges	57,95,779	58,27,685

10. Derivative Instrument and Unhedged Foreign Currency exposure.

S. No	Purpose	As at 31.03.09	As at 31.03.08
(A)	Forward Currency Swap Outstanding	Nil	Nil
(B)	Unhedged Foreign Currency Exposure		
1.	Outstanding Creditors for Purchase of Materials and Merchandise	USD 1,14,830 Rs.58,75,866	USD 1,09,018 Rs.43,78,155 JPY12062 RS.4,885
2.	Outstanding Debtors	USD 12410 Rs.6,28.820	USD 5,870 Rs. 2,33,436

11. Defined benefit plans as per actuarial valuation as on 31st Mar 2009, and recognized in the financial statements.

I. Components of Employee Cost	Gratuity	
	2008-09	2007-08
	(Rs.)	(Rs.)
a) Current service cost	10,32,247	9,75,000
b) Interest cost	6,50,316	5,98,759
c) Expected return on plan assets	1,96,674	-
d) Acturial Loss / (gain)	5,16,526	(1,34,688)
e) Past service cost	-	-
f) Adjustment for opening differences	(7,32,056)	-
g) Expenses to be recognized in Profit and Loss A/c	<u>12,70,359</u>	<u>14,39,071</u>

Panasonic

II. Amount recognized in Balance Sheet	Gratuity	
	2008-09 (Rs.)	2007-08 (Rs.)
Present value of defined benefit obligation	1,02,12,871	8,861,000
Less : Fair Value of Plan Assets	51,21,080	—
Net Liability recognised in the balance sheet	<u>50,91,791</u>	<u>8,861,000</u>

III. Changes in defined benefit obligation during the year

a. Present Value of defined benefit obligation at the beginning of the year	88,61,000	7,547,041
b. Current service cost	10,32,247	975,000
c. Interest cost	6,50,316	598,759
d. Actuarial (gains)/losses on obligation	5,24,086	(134,688)
e. Benefits paid	1,22,722	(125,112)
f. Adjustment for opening differences	(7,32,056)	—
Present value of defined benefit obligation at the end of the year	<u>1,02,12,871</u>	<u>8,861,000</u>

IV. Changes in fair value of plan assets during the year

Fair Value of Plan assets at the beginning of year	—	—
Expected return on plan assets	1,96,674	—
Contributions	50,39,568	125,112
Benefits paid	(1,22,722)	(125,112)
Actuarial (gain) / Loss on plan assets	7,560	—
Fair Value of Plan assets as at 31st Mar 2009	<u>51,21,080</u>	—

V. Principle actuarial assumptions at the balance sheet date.

Discount rate	8%	8%
salary growth rate	6%	7%
Attrition rate	1-3%	4%
Expected rate of return on plan assets	8%	0%

The estimate of future salary increases considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors.

12. C.I.F. Value of Imports

	Rs.	Rs.
Electric Cooker		
Raw Materials & Components (Including in-transit)	7,80,47,997	4,60,51,637
Capital Goods	2,81,368	19,63,334
Mixer Grinder		
Raw Materials & Components (Including in-transit)	5,24,741	1,96,865
Capital Goods	14,01,354	8,24,264
Traded Goods		
CIF Value (Including in-transit)	15,15,75,771	9,22,11,385
Spare parts	27,23,823	11,28,867

13. Related Party Disclosures Holding Company

: Panasonic Corporation – Osaka
(formerly Matsushita Electric Industrial Company Limited, Japan)

PANASONIC HOME APPLIANCES INDIA CO. LTD.

Fellow Subsidiaries : Panasonic Home Appliances Thailand Co.,Ltd
 Panasonic Trading S Pte Ltd. Singapore
 Panasonic Electric Works (Asia Pacific) Pte.Ltd.,- Singapore
 Panasonic Logistics (Hong Kong) Company Ltd
 Panasonic (Export Division)- Singapore
 Panasonic Centroamericana –SA C-RICA
 Panasonic Asia Pacific PTE Ltd
 Panasonic Manufacturing Malaysia Berhad
 Panasonic India Pvt Ltd
 Panasonic Latin America
 Panasonic Mktg-Middle East
 Panasonic Singapore (RSG)

Associates : Nil

Key Managerial Personnel: Mr. Hidenori Aso

(Rs. In Lakhs)

Nature of Transactions	Holding company	Fellow Subsidiaries	Associates	Key Managerial Personnel
Royalty	86.73 (50.04)	—	—	—
Brand Licence Fee	57.27 (50.04)	—	—	—
Sales	—	142.37 (109.61)	—	—
Reimbursement of expenses (received)	36.02 (0.18)	139.55 (70.32)	—	—
Payment for Services and reimbursement of expenses (paid)	55.01 (113.41)	109.87 (23.60)	—	—
Purchase of Traded Goods	1290.66 (642.40)	198.64 (257.46)	—	—
Purchase of Materials	0.79 (NIL)	NIL (46.72)	—	—
Purchase of Fixed Assets	3.85 (0.84)	—	—	—
Payables as on 31.03.2009	183.88 (166.52)	29.17 (18.42)	—	—
Receivables as on 31.03.09	(NIL) (NIL)	7.42 (2.69)	—	—
Remuneration	—	—	—	11.37 (14.40)

14. (a). Details of Licensed, Installed Capacities, Production of Goods manufactured (As certified by the Managing Director and accepted by the Auditors being a technical matter)

Class of Goods Manufactured:	Electric Cooker	Mixer Grinder
Licensed Capacity (Originally Licensed since deregulated) Installed Capacity: (As certified by the Managing Director and accepted by the Auditors being a technical matter).	2,50,000 numbers per annum on single shift basis 3,00,000 numbers per annum on single shift basis	3,00,000 numbers per annum on single shift basis 3,00,000 Numbers per annum on single shift basis

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Production :		2008-09	2007-08
(a) Electric Cooker-Nos.		3,87,138	3,24,084
(b) Mixer Grinder-Nos.		98,595	1,06,227
Accessories		2,06,245	1,44,987
Sales :			
(a) Electric Cooker-Nos.		3,82,700	3,09,892
(b) Mixer Grinder-Nos.		99,785	1,02,300
Accessories		2,17,440	1,32,009
Sales Value in Rs.			
(a) Electric Cooker		45,44,49,225	33,72,21,820
(b) Mixer Grinder		23,21,27,071	21,46,51,754
(c) Service Parts & Accessories		3,63,62,967	2,07,97,500
Total		72,29,39,262	57,26,71,074
		2008-09	2007-08
Opening Stock	– Nos. Electric Cooker	21,828	7,921
	– Nos. Mixer Grinder	6,425	2,768
Value in Rs.	– Electric Cooker	1,83,08,833	59,83,487
	– Mixer Grinder	83,99,038	47,83,381
Closing Stock	– Nos. Electric Cooker	26,243	21,828
	– Nos. Mixer Grinder	5,211	6,425
Value in Rs.	– Electric Cooker	12,13,53,855	1,83,08,833
	– Mixer Grinder	55,80,936	83,99,038

Closing Stock quantity is exclusive of 23 Nos. Electric Cookers and 24 Nos. MixerGrinders, (285 Nos Electric Cooker & 270 Mixer Grinder) scrapped during the year due to unsaleable / damaged stock conditions.

14. (b) (i). Traded Goods:

Home Appliances such as Electric Cookers, Juicer, Microwave Oven, Thermo Pot, Oven Toaster, Steam Iron, Gas Table, Health and beauty care products, Vacuum Cleaner, Massage Lounger etc.,	2008-2009		2007-2008	
	Qty Nos.	Value in Rs.	Qty Nos.	Value in Rs.
Opening Stock	20,571	3,14,26,805	19,558	3,65,58,250
Purchases	1,72,073	20,91,08,035	1,23,751	14,33,77,974
Sales	1,50,913	26,50,89,542	1,21,340	21,83,37,795
Closing Stock	41,398	5,69,70,502	20,571	3,14,26,805

Closing Stock Quantity is exclusive of 333 Nos. (1398 Nos.) scrapped during the year due to unsaleable/damaged stock conditions and sample issued for promotional activities.

(ii) Cost of Traded Goods

Particulars	2008-2009	2007-2008
	Rs.	Rs.
Opening Stock	3,14,26,805	3,65,58,250
Add : Purchases	20,91,08,035	14,33,77,974
	24,05,34,840	17,99,36,224
Less : Closing Stock	5,69,70,502	3,14,26,805
Cost of Goods Sold	18,35,64,338	14,85,09,419

15. Consumption of Raw Materials & Components
Raw Materials & Components

	2008– 2009		2007– 2008	
	Qty (Kgs.)	Value Rs.	Qty (Kgs.)	Value Rs.
A. Electric Cooker				
CRCA Steel	4,71,116	2,79,82,586	3,97,953	1,73,77,746
Aluminium Sheets	2,56,106	4,70,81,334	2,22,587	3,89,62,302
Aluminium Ingots	1,94,428	2,37,16,776	1,66,370	2,10,25,806
Stainless Steel	91,035	1,11,19,783	67,364	80,61,929

	2008– 2009		2007– 2008	
	Qty (Kgs.)	Value Rs.	Qty (Kgs.)	Value Rs.
B. Mixer Grinder				
ABS Materials	52,675	63,81,383	72,825	73,10,503
Stainless Steel	69,681	1,52,25,099	1,06,245	2,63,03,324
Motor –Nos	1,04,973	44,970,063	1,15,435	4,67,80,715

C. Others

(which do not individually

Contribute 10% of material Value)

20,29,30,218

16,30,94,443

Total (A+B+C)

37,94,07,245

32,89,16,768

D. Less : Process Scrap Sales

1,24,49,664

1,30,63,785

Total (A+B+C-D)

36,69,57,578

31,58,52,983

16. Value of Imported and Indigenous Raw Materials, Spare Parts consumed and Percentage to total consumption:

	2008– 2009		2007– 2008	
	Value (Rs.)	%	Value (Rs.)	%
Raw Materials & Components				
Electric Cooker				
Imported	8,63,48,002	37.41	3,82,73,632	20.83
Indigenous Freight (VAT)	14,44,53,623	62.59	14,54,24,565	79.17
Total	23,08,01,625	100.00	18,36,98,267	100.00
Mixer Grinder				
Imported	1,16,293	0.08	1,16,958	0.57
Indigenous	14,84,89,324	99.92	14,51,04,543	99.43
Total	14,86,05,617	100.00	14,52,18,501	100.00
Spare Parts				
Imported	NIL	NIL	NIL	NIL
Indigenous	7,43,763	100	70,640	100.00
Total	7,43,763	100	70,640	100.00

17. FOB Value of Exports Rs.1,43,12,834/- (Rs.1,10,07,258/-)

Panasonic

18. Remittance during the year in Foreign Currency on account of

	2008– 2009	2007– 2008
Dividends (Rs.)	43,70,000	43,70,000
No.of Non-Resident Shareholders	1	1
No.of Shares held by them	4,37,000	4,37,000
Year to which dividend related	2007-08	2006-07

19. Balance Sheet Abstract and Company's General Business Profile

I. Registration Details			
Registration No.: L30007TN1988PLCO16184	State Code	:	18
Balance Sheet Date: 31.03.2009			
II. Capital Raised During the year (Amount in Rs. Thousands)			
Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil
III. Position of Mobilization and Deployment of Funds (Amount in Rs. Thousands)			
Total Liabilities :	20,00,01	Total Assets :	20,00,01
Sources of Funds		Application of Funds	
Paid-up Capital	8,57,00	Net Fixed Assets	13,43,98
Secured Loans	1,68,75	Net Current Assets	65,603
Unsecured Loans	11,18	Deferred Tax Asset	Nil
Reserves & Surplus	92,682	Accumulated Losses	Nil
Deferred Govt. Grants	Nil	Investments	Nil
Deferred Tax Liability (Net)	3,626	Misc. Expenditure	Nil
IV Performance of Company (Amount in Rs. Thousands)			
Turnover (inclusive of other income)	99,86,58	Total Expenditure	97,27,74
Profit before Tax	2,58,84	Profit after tax	1,41,68
Earning Per Share in Rs.	1.65	Dividend Rate	12%
V Generic Names of the Principal Products/Services of Company			
(as per monetary Terms)			
Item Code No. (ITC Code)	8516.60.00	8509.40.90	
Product Description	Electric Cooker	Mixer Grinder	
20. Previous year's figures have been regrouped wherever necessary for comparison Purposes.			
21. Figures in bracket represent figures for the previous year.			

Per our report of even date attached

For and on behalf of the Board of Directors

for **BRAHMAYYA & CO.,**
Chartered Accountants

R. NAGENDRA PRASAD
Partner
Membership No.203377
Place : Chennai
Date : May 22, 2009

HIDENORI ASO
Managing Director

A. RAGAVENDRA RAO
Director

JUSTICE S. NATARAJAN
Director

K. SUBRAMANIAN
Director

P. OBUL REDDY
Chairman

TOM ANTONY
Company Secretary

PANASONIC HOME APPLIANCES INDIA CO. LTD.

CASHFLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2009

Particulars	1st April 2008 to 31st March 2009		1st April 2007 to 31st March 2008	
	Rs.	Rs.	Rs.	Rs.
A. Cash Flows from Operating Activities				
Net Profit before tax		25,884,048		25,270,123
Add: Depreciation	18,477,680		15,041,487	
Interest	4,844,042		4,388,105	
Provision for warranty claims	214,533		4,963,816	
Provision for Gratuity and Leave encashment	1,583,568		1,547,959	
Unserviceable/Obsolete Stocks written off	2,286,016		2,857,767	
Loss on sale of fixed assets	117,433		-	
		27,523,272		28,799,134
		53,407,320		54,069,257
Less:				
Interest on deposits with banks	1,897,557		5,409,402	
Excess provisions/ credit balances writtenback	3,941,719		-	
Profit on sale of fixed Assets	-		62,434	
Gain on foreign currency fluctuations(Net)	(142,901)		41,239	
		5,696,375		5,513,075
Operating Profit before working capital changes		47,710,945		48,556,182
Adjustments for:				
(Increase) in trade and other receivables	(15,719,180)		(12,003,676)	
(Increase) in inventories	(25,290,621)		(33,671,687)	
Increase in trade payables	26,251,515	(14,758,286)	50,313,696	4,638,333
Cash generated from operations		32,952,659		53,194,515
Interest paid	(4,844,042)		(4,388,105)	
Tax paid (Net)	(13,730,384)	(18,574,426)	(13,293,774)	(17,681,879)
Net Cash Generated from Operating Activities	Total A	14,378,233	Total A	35,512,636
B. Cash Flows from Investing Activities				
Payment for purchase of fixed assets	(37,773,112)		(45,270,878)	
		(37,773,112)		(11,363,042)
Less: Proceeds from sale of fixed assets	625,858		408,671	
Proceeds from redemption of Investments	1,930,000			
Interest received	6,149,608	8,705,466	2,609,770	3,018,441
Net Cash Used in Investing Activities	Total B	(29,067,646)	Total B	(42,252,437)

Panasonic

Particulars	1st April 2008 to 31st March 2009		1st April 2007 to 31st March 2008	
	Rs.	Rs.	Rs.	Rs.
C. Cash Flows from Financing Activities				
Proceeds from / (Repayment of) Mid term loan		(5,625,000)		22,500,000
Repayment of interest free sales tax loan		(2,866,651)		(5,625,188)
Dividend paid		(8,570,000)		8,570,000
Tax paid on dividend		(1,456,472)		(1,456,472)
Net Cash from Financing Activities	Total C	(18,518,123)		6,848,340
Net Increase in cash and cash equivalents	Total A+B+C	(33,207,536)		108,538
Opening cash and cash equivalents		53,107,080		52,998,542
Closing cash and cash equivalents		19,899,544		53,107,080
Net Increase in cash and cash equivalents		(33,207,536)		108,538

Note: For the purpose of this statement, Bank balances of Rs.7,12,306 (previous year Rs. 5,23,118) in unclaimed dividend account are not included in cash and cash equivalents as they are adjusted against unclaimed dividend payable since the obligations of the company are met from unclaimed dividends deposited into separate bank account in accordance with Sec.205A of the Companies Act, 1956.

As per our report of even date attached

For and on behalf of the Board of Directors

for **BRAHMAYYA & CO.,**
Chartered Accountants

R. NAGENDRA PRASAD
Partner
Membership No.203377
Place : Chennai
Date : May 22, 2009

HIDENORI ASO
Managing Director

A. RAGAVENDRA RAO
Director

JUSTICE S. NATARAJAN
Director

K. SUBRAMANIAN
Director

P. OBUL REDDY
Chairman

TOM ANTONY
Company Secretary